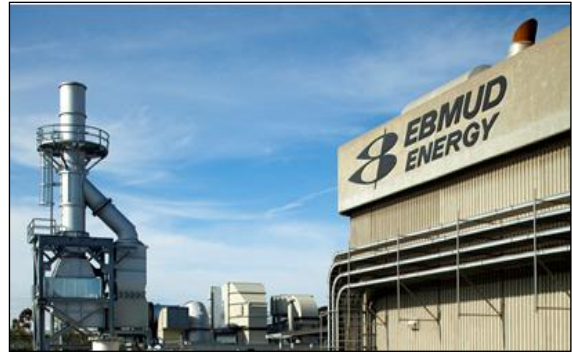
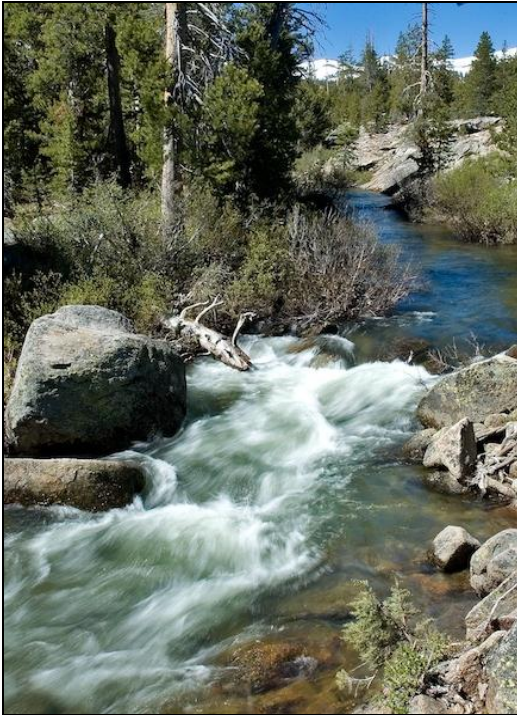


# *Biennial Budget*

## *Fiscal Year 2014 – 2015 District Overview, Water System Budget, Wastewater System Budget*



*East Bay Municipal Utility District  
Oakland, California*



Photos on cover:

Upper Mokelumne River Watershed (Upper left photo)

Pardee Dam and Reservoir (Upper right photo)

Renewable energy facility (Middle right photo)

Pipeline construction and maintenance (lower left and right photos)

***FY2014 and FY2015***

# **Biennial Budget**

***Volume 1      District Overview  
Water System Budget  
Wastewater System Budget***

***Volume 2      Supplemental Material:  
Capital Project Summaries***

***Adopted by the Board of Directors  
June 11, 2013***

***East Bay Municipal Utility District***

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**EAST BAY MUNICIPAL UTILITY DISTRICT  
BIENNIAL BUDGET FY14 – FY15  
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# East Bay Municipal Utility District

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## SUPPLEMENTAL VOLUME

Capital Project Summaries

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July 1, 2013

Honorable Members of the Board of Directors:

I am pleased to present the General Manager's adopted budget for Fiscal Years 2014 and 2015.

2013 marks a significant milestone for EBMUD. In the 90 years since local residents voted to form a municipal utility district the East Bay has grown dramatically. Today our service area includes 1.3 million people and many of the region's large employers. Our vitality is inseparable from the \$518 billion Bay Area regional economy and essential to the economic health of California and the nation. The District's infrastructure is diverse and extensive, with a replacement cost conservatively estimated at \$13.9 billion.

Since 2007 EBMUD has addressed a series of challenges: decreased water sales (down 19 percent from prior highs), decreased revenues from new development, increased operating costs, a need for investments in drought protection, seismic safety and environmental protections, and mounting evidence that our aging infrastructure will require greater investments over time. The past several budgets balanced the fiscal responsibility to address the most pressing of these challenges against the fiscal impacts to ratepayers. We strove to enhance revenues, contain costs, defer non-essential capital investments and refinance debt. These efforts helped to contain rate increases below those of most Bay Area utilities, who were facing similar challenges. The typical District customer now pays less for water service than they would at almost any peer agency.

Over this multi-year period, the District made critical investments in drought protection, seismic safety and renewable energy. We developed dry year water supply facilities to minimize the risk of future rationing, repaired essential water storage reservoirs and repaired tanks that needed upgrades to meet seismic and regulatory standards. We modified wastewater treatment facilities to accept trucked waste, recycle food and other materials and became a net renewable energy seller.

Despite our success at containing costs, many of these strategies are not sustainable. Over the past several years cost controls saved \$194 million: employees received no salary increases the past two years, 236 positions went unfilled, discretionary spending was cut and non-essential projects were deferred. But costs for energy, chemicals, labor and equipment continue climbing, and our infrastructure's average age is past fifty years. There is a growing backlog of deferred maintenance and a higher frequency of difficult facility performance challenges. A final warning sign came from bond rating agencies. EBMUD's AAA rating, which saves about \$7.5 million annually in interest costs and reduces the cost of borrowing, received a negative outlook in 2012 from Standard and Poor's.

At the Board's February 2013 strategic planning and budget workshop, there was consensus that the prospective budget should address three key strategic plan priorities--investing in aging infrastructure, enhancing effective maintenance practices, and improving customer service. In addition, there was a shared understanding that to provide for long-term financial stability, we would need to base the budget on prudent projections of water demand and housing growth, address structural revenue shortfalls with rate adjustments, and meet the Board's policy goals for debt service coverage. Finally, there was a clear desire to present to ratepayers the benefits of associated rate increases.

The General Manager's adopted budget for FY14-15 embodies these themes. It supports the District's mission, values and strategic plan, and the Board's conviction that the East Bay's world class quality of life must be supported by a world class water and wastewater utility. We have a proud tradition of delivering essential services efficiently and effectively, providing a positive working environment, contributing to the community and improving the quality of our air, water and land. Though EBMUD will continue to control costs, this budget requires increases in rates and charges. The monthly residential cost for water will increase \$3.96 in FY14 and \$4.19 in FY15. The monthly single family cost for wastewater treatment, which is collected on the water bill, will increase \$1.31 in FY14 and \$1.46 in FY15. With the increases, EBMUD rates will be similar to rates for comparable northern California water agencies.

This message provides a brief summary of the District's strategic plan, highlights important features of the adopted budget, summarizes the capital and operating budgets, and presents the impacts of increases in rates and charges.

#### **FY 14-15 STRATEGIC PLAN PRIORITIES**

The strategic plan establishes goals, strategies and objectives we will pursue to fulfill our mission, and it includes key performance indicators to measure progress. The six goals are summarized below, with emphasis on budget priorities that emerged from the most recent plan review.

**Long Term Water Supply** focuses on securing supplemental water supplies and promoting water conservation and water recycling. The budget continues implementation of Water Supply Management Plan 2040, which the Board adopted in 2012, and work on preparing for climate change and managing greenhouse gas emissions. A key long term



water supply effort during the upcoming budget period will be work on the District's Camanche permit extension, which will provide certainty with respect to the District's core Mokelumne water supplies through the year 2040.

**Water Quality and Environmental Protection** sets objectives to reduce pollutants at the source, recycle wastes and maximize renewable energy production. The budget continues programs in these areas and guides work in protecting San Francisco Bay, including steps we are taking in collaboration with local community sewer service providers to meet the terms of the District's wet weather facilities National Pollution Discharge Elimination System permit requirements.

**Long Term Infrastructure Investment** guides our work to cost-effectively invest in preventive maintenance, repair and replacement of the District's extensive infrastructure. Two of the three primary focus areas for the FY14-15 adopted budget relate to this goal—investing in aging infrastructure and enhancing effective maintenance practices.

**Long Term Financial Stability** emphasizes managing finances in a way that assures that the District adequately funds its operations and maintains reasonable rates. Long-term fiscal stability is one of the key elements of the FY 14-15 budget. This budget is based on reasonable and prudent assumptions of growth in sales volumes and new housing, achievement of the Board's policy targets for debt service coverage, and a move toward greater rate-funding of capital investment.

**Customer Service** directs us to understand and be responsive to customer expectations. Based on customer feedback we have set a key customer service objective in FY14-15: to expand 24 x 7 customer access to information and services through enhanced services for electronic bill presentation and payment.

**Workforce Planning and Development** acknowledges the need for continuous investment in recruiting and retaining a well-qualified workforce that is representative of the diverse community we serve. More than half of the District workforce is eligible to retire within five years. This presents knowledge transfer challenges but also provides opportunities to reallocate resources to priority areas and to increase diversity in the workforce.



## GENERAL MANAGER'S ADOPTED BUDGET HIGHLIGHTS

The section below identifies key assumptions, highlights and features of the General Manager's Adopted Budget for FY14-15.

*Assume Reasonable Growth Rates*—The past two budgets relied on significant increases in water sales volumes and new connections that never materialized. Current sales volumes are 19 percent below the 2007 peak of 200 MGD and new connections are 75 percent below the 2005 peak of 3,500 (5/8" equivalents). We project that revenues from water sales and system capacity charges will continue to remain well below the levels of the prior decade. The prior budget estimated FY14 and FY15 billed water consumption would be 172 MGD each year. This budget estimates that water consumption for FY14 will be 164 MGD, which is five percent less than the FY13 budget estimate of 172 MGD, and a slight growth in FY15 to 166 MGD. Annual new connections also are down, from the previous budget estimate of 1,600 to 900, a decrease of 44 percent.

*Invest In Aging Infrastructure*—We have scrutinized the Capital Improvement Program (CIP) and this budget reflects the need to complete a growing list of projects that address safety, legal mandates, critical reliability and cost-effectiveness criteria. This budget reflects a shift that began in the prior budget away from the addition of new assets following completion of the Sacramento River supplemental supply project. The CIP focuses on the rehabilitation and replacement of existing infrastructure rather than the addition of new assets.



By any measure, the adopted CIP continues this investment trend. The Water CIP two-year cash flow is \$382 million, a 7 percent increase over the prior budget; the same number over the next five years is \$1.0 billion, an 18 percent increase over the prior budget. By 2018, the fifth year of the Water CIP, annual investment will be 21 percent higher than in 2013. The outcome of these investments will enable the District to replace 43 percent more miles of pipes in the next five years than we replaced over the past five years (53 vs. 37).

*Reduce Reliance on Debt*—District policy is that over any five-year planning period no more than 65 percent of the CIP will be funded from debt. For the past several years the portion of the CIP funded from debt reached the top end of this range. Over the next five years, the adopted budget supports additional pay-as-you-go (PAYGO) funding of the Water System CIP, bringing the debt-financed portion down to 42.5 percent. This shift to greater PAYGO CIP funding reflects the changing capital investment focus from development of new assets to

rehabilitation and replacement of existing assets.

*Enhance Effective Maintenance*—Since 2009, the District has held a significant number of positions vacant to mitigate the impact of below-budget revenues. One impact was a reduction in maintenance crews and a growing backlog of deferred maintenance. The adopted budget not only fills vacancies in these areas, but also provides funding for an additional 44 positions in the Operations & Maintenance Department including 18 for pipeline system maintenance, 12 for meter maintenance, 8 for electrical / structural /



mechanical maintenance, and 6 for building / grounds maintenance. These investments will result in more work hours on valve maintenance, corrosion control, and repairs to meters, meter boxes and gate pots. These preventive maintenance investments will help avoid customer outages and impacts of outages, support accurate meter readings and reduce hazards that can result in accidents and liability claims.



*Improve Customer Service*—Technology has dramatically changed customer expectations of service. Whereas 12 years ago almost all of our customers paid bills either in person or through the mail, only 50 percent of our customers do today. The District recently replaced its 25-year old mainframe customer information system to provide a platform for enhanced customer services. The adopted budget builds on this platform, providing \$0.5 million to implement more customer friendly electronic bill presentation and payment services.

*Preserve Strong Credit Ratings*—Despite a move to greater PAYGO funding of capital, the size of the District's CIP means that tax-exempt debt will continue to play a significant role in the District's capital financing plan. Strong credit ratings provide direct benefits to ratepayers in the form of reduced debt service—estimated at \$7.5 million annually. The adopted budget meets financial metrics consistent with the District's existing credit ratings. Specifically, it results in debt service coverage ratios consistent with the Board policy target of 1.6x coverage.

*Plan & Develop the Workforce*—The District's staffing plan identifies the positions authorized by the Board of Directors. The position resolution accompanying this adopted budget reduces the number of authorized positions by 12 to 2,058 in FY14, primarily to reflect the completion of specific projects to which these positions were allocated. The adopted budget provides funding for 1,857 of these positions, an increase of 2.6 percent over the number of positions funded in FY 2013. As mentioned earlier, these additional funded positions are allocated principally to the

Operations & Maintenance and Engineering Departments to address increased investment in the operation of and repair and replacement of aging infrastructure.

During the next few years the District will face recruitment challenges. The baby-boomer retirement wave is ongoing and approximately 50 percent of the workforce will be eligible to retire in the next five years. Many journey level operations and maintenance staff are among those eligible. It takes time for employees to develop the skills and knowledge to reach journey



level—it requires three years to train a journey level plumber. The District has planned for this challenge. During the upcoming budget period, the District plans to conduct four plumber training academies, providing opportunities for up to 40 people to train for career opportunities with the District. EBMUD’s goal is to have the next generation of tradespeople accurately reflect the diversity of the communities we serve.

*Negotiate Labor Agreements*—District employees are represented by four labor unions—locals 21, 39, 444 and 2019. Two years ago, the represented employees agreed to a two-year extension of previously negotiated labor agreements with no general salary increase. Those agreements expired on April 21, 2013. The District is in the process of negotiating wage and benefit agreements with represented employees, and working with management and non-represented employees as well.

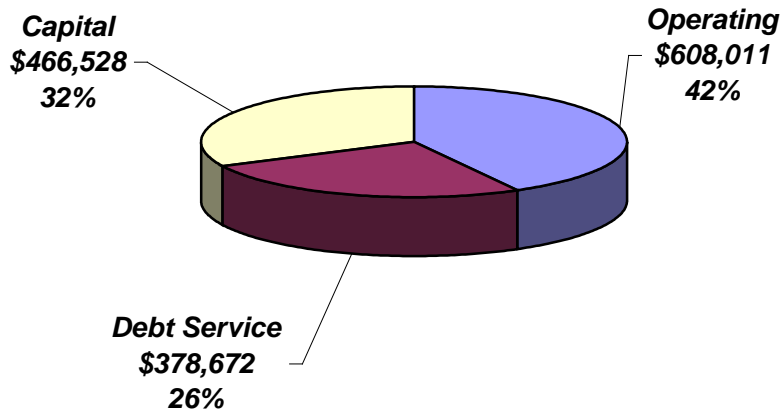
*Implement Pension Reform*—The District has limited control over certain cost drivers. These include the cost of certain commodities essential to our activities such as chemicals, energy, petroleum-based paving materials, steel and concrete. It also includes the cost of equipment and services such as computer hardware and software, contracted services, and health insurance. In 2012, pursuant to State legislation, the District Board of Directors implemented a significant reform of the District’s Employee Retirement System. New employees will receive a significantly reduced pension benefit, and will fund a greater share of that benefit themselves. This reform represents a significant step in addressing the District’s single largest benefit expense over the long-term, although it does not produce significant budget savings at this time.

## **ADOPTED BUDGET OVERVIEW**

The charts below summarize the General Manager’s adopted budget for FY14-15. The adopted budget is \$1.45 billion, a 1.9 percent increase over the previous two-year budget that includes appropriations for the operating budget (42 percent), debt service (26 percent), and the capital budget (32 percent) for both the water and wastewater enterprises.

<b>COMPARISON OF FY13, FY14, AND FY15 BUDGETS</b>					
<b>(\$000's)</b>					
	FY13 Amended Budget	FY14 Adopted Budget	% Change FY14 v. FY13	FY15 Adopted Budget	% Change FY15 v. FY14
<b>Water System</b>					
- Operating Budget	226,950	236,875	4.4%	246,930	4.2%
- Debt Service	168,301	147,463	-12.4%	163,213	10.7%
- Capital Appropriation	<u>177,591</u>	<u>200,814</u>	13.1%	<u>185,022</u>	-7.9%
- Total	572,842	585,152	2.1%	595,165	1.7%
<b>Wastewater System</b>					
- Operating Budget	59,443	60,848	2.4%	63,358	4.1%
- Debt Service	33,868	33,689	-0.5%	34,307	1.8%
- Capital Appropriation	<u>37,768</u>	<u>33,878</u>	-10.3%	<u>46,814</u>	38.2%
- Total	131,079	128,415	-2.0%	144,479	12.5%
<b>District</b>					
- Operating Budget	286,393	297,723	4.0%	310,288	4.2%
- Debt Service	202,169	181,152	-10.4%	197,520	9.0%
- Capital Appropriation	<u>215,359</u>	<u>234,692</u>	9.0%	<u>231,836</u>	-1.2%
<b>District Total</b>	<b>703,921</b>	<b>713,567</b>	<b>1.4%</b>	<b>739,644</b>	<b>3.7%</b>

**District Water and Wastewater Budgets  
 FY14 and FY15  
 (\$ Millions)**



## **Operating Budget**

Water System. The total FY14 operating budget, including debt service, is \$10.9 million or 2.8 percent lower than the FY13 amended budget. Recent Board-approved debt restructuring will result in lower debt service costs in FY14 of \$20.8 million or 12.4 percent compared to the prior fiscal year. The operating budget will increase \$9.9 million or 4.4 percent compared to FY13. It funds 50 additional positions that are necessary to provide resources for infrastructure repair and maintenance and avoid predicted gaps in staffing as half of existing technicians, plumbers and operators are eligible to retire over the next five years. In addition to funding additional positions, this budget accounts for rising labor-related costs such as employee health care and retirement, self-insured liability claims, replacement of aging computer server units, improvements to customer electronic bill payment options, protection of future water rights, vehicle fuel, energy and spoils and sludge disposal costs. The total FY15 operating budget, including debt service, is \$25.8 million or 6.7 percent higher compared to FY14. Of this increase, \$15.8 million is due to increased debt service costs. The remaining \$10 million is due to increasing labor-related costs such as employee health care and retirement, scheduled salary step increases, energy, vehicle expense, and fees and licenses. To offset the impact of rising costs in both FY14 and FY15, cost containment efforts have continued where possible.

Wastewater System. The total FY14 operating budget, including debt service, is \$1.2 million or 1.3 percent greater than the FY13 amended budget. The operating budget is increasing \$1.4 million compared to the prior fiscal year. Rising costs related to labor such as employee benefits for health care and retirement, fees and licenses, plant costs such as the new turbine and gas conditioning system are partially offset due to fewer funded positions and lower chemical costs. The total FY15 operating budget, including debt service, is \$3.1 million or 3.3 percent higher than FY14. Of this increase, \$0.6 million is attributable to increased debt service costs. The remaining \$2.5 million is due to rising labor-related costs such as employee health care and retirement, chemicals, overhead reimbursements, sewer pipe cleaning, energy, fees and licenses. To offset the impact of rising costs in both FY14 and FY15, cost containment efforts have continued where possible.

## **Capital Improvement Program Budget**

The FY14-18 Capital Improvement Program (CIP) will increase cash flow directed to infrastructure by nearly a third over the five year span, from \$217.6 million in FY14 to \$249.8 million in FY18. This budget launches a fundamental shift toward increasing funding for capital work on a pay-as-you-go basis through rates. It's a difficult but necessary transition. With any aging system, more repairs and replacements will become necessary over time. Providing sufficient resources to meet the rising need for more planned maintenance and emergency

repairs is a necessary expense that current customers, who are benefiting from that work, must bear.

The five-year CIP includes \$1.09 billion in planned appropriations for the Water System and \$174 million for the Wastewater System, for a total of \$1.26 billion. Projected cash flow



spending over the next five years includes \$1.04 billion for the Water System and \$155 million for the Wastewater System, for a total of \$1.19 billion. In addition, for planning purposes we have identified for the Water System an estimated \$1.5 billion in spending for the period FY19–23, and \$180 million for the Wastewater System. These out-year estimates will be refined as plans and studies are completed, priorities are redefined and as new needs emerge.

Water System Top Projects. EBMUD is moving from a focus on investments in water supply reliability (now secured) to a focus on investments in infrastructure rehabilitation, repair and replacement. The following table shows the Water System capital projects included in the CIP along with their planned appropriations and projected cash flow spending.

<b>Water System Major Capital Projects</b>		
<b>Five-Year CIP</b>		
<b>(\$ Millions)</b>		
<b>Project</b>	<b>FY14-FY18 Appropriation</b>	<b>FY14-FY18 Cash Flow</b>
Pipelines, Regulators and Appurtenances	323	353
Pressure Zone Improvements	84	107
Reservoir Rehabilitation	26	76
Pumping Plant Rehabilitation	40	75
Water Treatment and Transmission	123	75
Raw Water Aqueduct Improvements	82	71

Wastewater System. The table on the next page shows the continued focus on maintaining our stellar record of complying with permit requirements at the main wastewater treatment plant and our increasing emphasis on working with regulators and the community to address wet weather NPDES permit issues.

<b>Wastewater System Major Capital Projects</b>		
<b>Five-Year CIP</b>		
<b>(\$ Millions)</b>		
<b>Project</b>	<b>FY14-FY18 Appropriation</b>	<b>FY14-FY18 Cash Flow</b>
Treatment Plant Infrastructure	12	21
3 <sup>rd</sup> Street Sewer Interceptor Rehabilitation	24	19
Odor Control Improvements	10	17
Concrete Rehabilitation	19	17
Digester Upgrades	35	16

**CUSTOMER BILL IMPACTS**

No increase in costs for essential services is welcome, especially in difficult economic times. But as a community, our quality of life depends on reliable, environmentally-sound water and wastewater services. The following tables estimate the increased cost of water and wastewater services in the FY14-15 budget.

- The typical single family residential customer’s monthly water charges would increase \$3.96 in FY14 and \$4.19 in FY15. A typical customer uses 246 gallons per day of water.
- The typical single family wastewater customer’s monthly charges, which are collected on the water bill, would increase \$1.31 in FY14 and \$1.46 in FY15. In addition, the wastewater wet weather fee, collected on the property tax bill, will increase annually by \$6.80 in FY14 and \$7.00 in FY15.
- For single family customers who receive both EBMUD water and wastewater services, their monthly bill would increase \$5.27 in FY14 and \$5.65 in FY15.



AVERAGE WATER CUSTOMER CHARGE* ON MONTHLY BILL							
	Consumption		FY13	FY14	% Change FY14 v. FY13	FY15	% Change FY15 v. FY14
	GPD	Units					
Single-Family Residential (5/8")	246	10	\$40.45	\$44.41	9.8%	\$48.60	9.4%
Multi-Family (1")	1,230	50	\$180.91	\$198.63	9.8%	\$217.54	9.5%
Commercial (1")	1,230	50	\$187.53	\$205.73	9.7%	\$225.08	9.4%
Industrial (2")	12,300	500	\$1,705.48	\$1,870.89	9.7%	\$2,046.68	9.4%

AVERAGE WASTEWATER CUSTOMER CHARGE** ON MONTHLY BILL							
	Consumption		FY13	FY14	% Change FY14 v. FY13	FY15	% Change FY15 v. FY14
	GPD	Units					
Single-Family Residential	148	6	\$16.48	\$17.79	7.9%	\$19.25	8.2%
Multi-Family	1,230	50	\$86.19	\$93.58	8.6%	\$101.13	8.1%
Commercial***	1,230	50	\$90.67	\$98.06	8.2%	\$105.61	7.7%
Industrial***	12,300	500	\$5,461.67	\$5,997.06	9.8%	\$6,557.61	9.3%

\*\*Includes SF Bay Pollution Prevention Charge

\*\*\*Treatment rate depends on business classification for non-residential customers

\*Monthly cost for metered water service bills, except for private fire services. Includes up to five charges: service charge, water flow charge, seismic improvement program surcharge, elevation surcharge (if applicable) and supplemental supply surcharge (applicable in declared water shortages only).

\*\* Wastewater rates and charges apply to customers and property owners in Alameda, Albany, Berkeley, El Cerrito, Emeryville, Kensington, Oakland, Piedmont and parts of Richmond. Wastewater charges for non-residential customers are based on the volume and strength of the customer's sewer discharge and business classification (BCC). Wastewater permit customers should consult their current permit to see how the treatment flow, strength, and suspended solids charges affect their water bill.

## USING THE BUDGET DOCUMENT

EBMUD's FY 14-15 biennial budget is comprised of two volumes. This volume contains all of the key biennial budget information for both the Water & Wastewater Systems, including a District overview, detailed operating and capital budgets, and a five-year financial forecast. The supplemental volume provides summaries for all projects in the Capital Improvement Program. Since 1996, the District's budget documents have consistently received the Government Finance Officers Association's coveted Distinguished Budget Presentation Award.



## CONCLUSION

As we move into FY14 and FY15, we will continue our commitment to provide the highest quality water and wastewater services for our customers. We will closely monitor our costs and will continue to look for opportunities to maximize efficiency and productivity in these difficult economic times. We will look for opportunities to restructure the workload as employees retire or leave the District. With the ongoing support of the Board and the staff of the District, I am confident that we will meet our challenges well into the future.

In closing, I want to thank the staff who worked so diligently to develop the budget and in particular to acknowledge the Budget and Rates team for their work in preparing the budget document. Their collective efforts have enabled us to develop a budget that serves as an effective policy document, a financial plan, an operations guide, and an information resource that explains to ratepayers the benefits of necessary rate increases.

Respectfully submitted,

A handwritten signature in black ink that reads "Alexander R. Coate".

ALEXANDER R. COATE  
General Manager

ARC:ELS

# CHAPTER 1: DISTRICT OVERVIEW

## DISTRICT PROFILE

The East Bay Municipal Utility District (EBMUD) supplies water and provides wastewater treatment for parts of Alameda and Contra Costa counties in California. It is a publicly owned utility formed under the Municipal Utility District (MUD) Act passed by the state legislature in 1921. The Act permits the formation of multi-purpose government agencies to provide needed public services on a regional basis. In 1923, voters in the eastern San Francisco Bay Area created EBMUD to provide water service.



Pardee Dam and Reservoir

The MUD Act was amended in 1941 to enable the formation of special districts. In 1944, voters in six of the East Bay cities served by EBMUD elected to form the EBMUD Special District No. 1 to treat wastewater before being released into San

Francisco Bay. Wastewater treatment began in 1951. In 1971, the Stege Sanitary District was annexed to the Special District. The Water System and Wastewater Systems are legally distinct entities managed by the same Board of Directors.

Approximately 1.3 million people are served by the EBMUD water system in a 332-square-mile area extending from Crockett in the north to San Lorenzo in the south, and eastward from San Francisco Bay to Walnut Creek, and south through the San Ramon Valley. Ninety percent of the water used by EBMUD comes from melted snow within the 578-square-mile protected watershed of the Mokelumne River located on the western slope of the Sierra Nevada. Raw or untreated water from Pardee Reservoir is transported more than 90 miles west via three parallel aqueducts to East Bay water treatment plants or terminal reservoirs. Completed in 2010, the Freeport Regional Water Project can convey up to 100 million gallons per day of Sacramento River water to protect EBMUD's customers from the potential devastation of a severe drought.

The wastewater system serves approximately 650,000 people in an 88-square-mile area along the east shore of the bay extending from Richmond in the north to Oakland in the south. In addition to providing wastewater treatment to these areas, laboratory services operate 365 days a year to constantly monitor water quality for drinking water and wastewater systems.

EBMUD supports one of the largest and most comprehensive water conservation programs in California. Also, water recycling programs have been initiated to reduce demand on drinking water. More than eight million gallons a day of recycled water is provided for industrial uses, golf courses, and landscaping needs.

For a complete history of the East Bay Municipal Utility District, please visit the history page at <http://www.ebmud.com/about>.

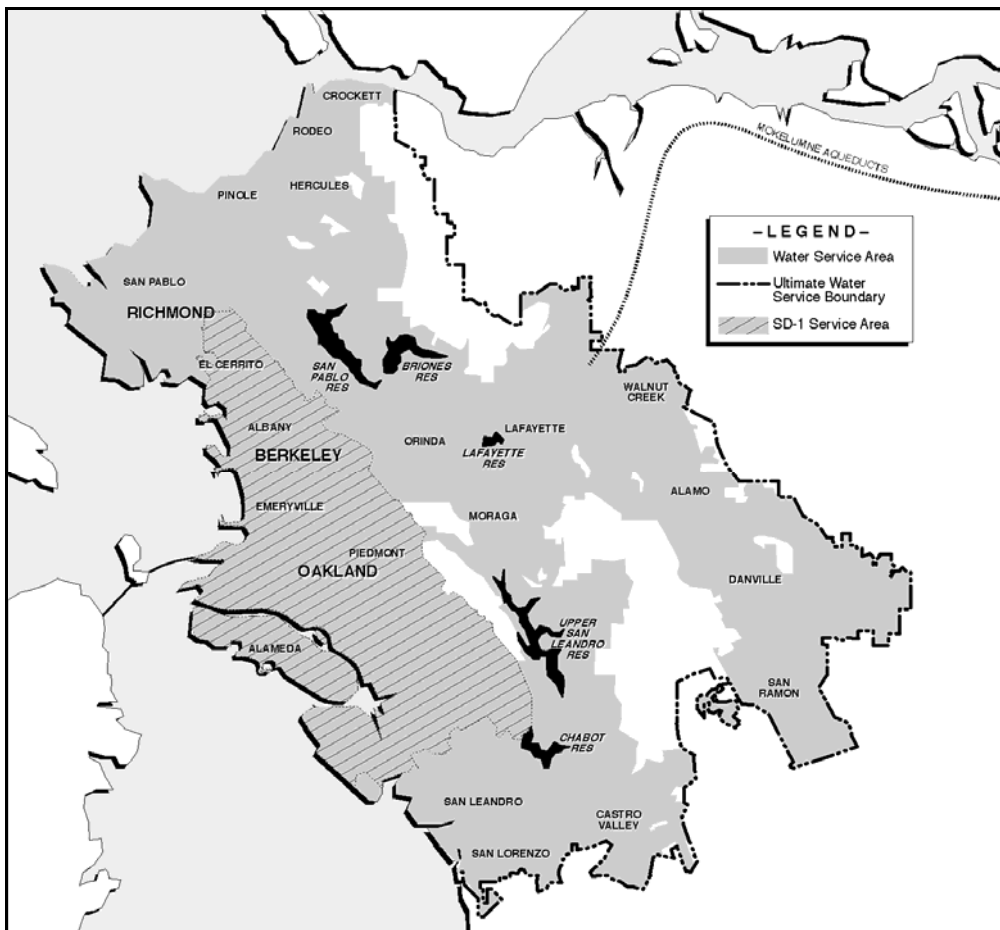
## DISTRICT MISSION

To manage the natural resources with which the District is entrusted; to provide reliable, high quality water and wastewater services at fair and reasonable rates for the people of the East Bay; and to preserve and protect the environment for future generations.

## DISTRICT VALUES

- Exercise responsible financial management
- Ensure fair rates and charges
- Provide responsive customer service
- Promote ethical behavior in the conduct of District business
- Ensure fair and open processes involving the public
- Provide a healthy work environment
- Promote diversity and equality in personnel matters and contracting
- Promote environmental responsibility and sustainability

## EBMUD SERVICE AREA



## STRATEGIC PLAN SUMMARY

### Introduction

The District's Strategic Plan was adopted by the Board of Directors in July 2012. It is a blueprint for how EBMUD will respond to future challenges and changing priorities. It confirms the District's mission and values as a public utility dedicated to high quality service and preservation of the precious resources with which the District is entrusted for future generations. The plan incorporates the principles of sustainability and effective use of resources to minimize the District's environmental footprint. It also outlines the specific goals, strategies, and objectives the District will pursue to fulfill its mission and establishes key performance indicators (KPIs) to measure progress.

- **Goals** are the important outcomes to achieve;
- **Strategies** are the direction or course to take to reach those goals;
- **Objectives** reflect what needs to be accomplish in the near term; and
- **Key Performance Indicators** measure how well the District is doing in achieving its goals.

### Strategic Plan Goals

The District has established a comprehensive set of goals integrating sustainability principles.

- **Long Term Water Supply**  
Ensure a reliable high-quality water supply for the future.
- **Water Quality and Environmental Protection**  
Meet or surpass environmental and public health standards and protect public trust values.
- **Long-Term Infrastructure Investment**  
Maintain and improve the District's infrastructure in a cost-effective manner to ensure sustainable delivery of reliable, high-quality service now and in the future.
- **Long-Term Financial Stability**  
Manage the District's finances to support District needs and maintain reasonable water and wastewater rates.
- **Customer Service**  
Understand and be responsive to customer expectations for service.
- **Workforce Planning and Development**  
Ensure ample talent to do the District's work today and tomorrow.

### Key Performance Indicators

The July 2012 update of the Strategic Plan includes 45 KPIs that are measurable, comprehensive, and reflect the various strategies contained within the six Strategic Plan goals. Included in the 2012 Strategic Plan is a description of each indicator, actual performance in FY11, as well as performance targets for FY13. These same performance measures are in place for FY14 and FY15. Performance against these targets is measured annually and enables the District to evaluate its progress in meeting Strategic Plan goals. The last KPI report was

completed in September 2012 and included information on targets met and not met in FY12.

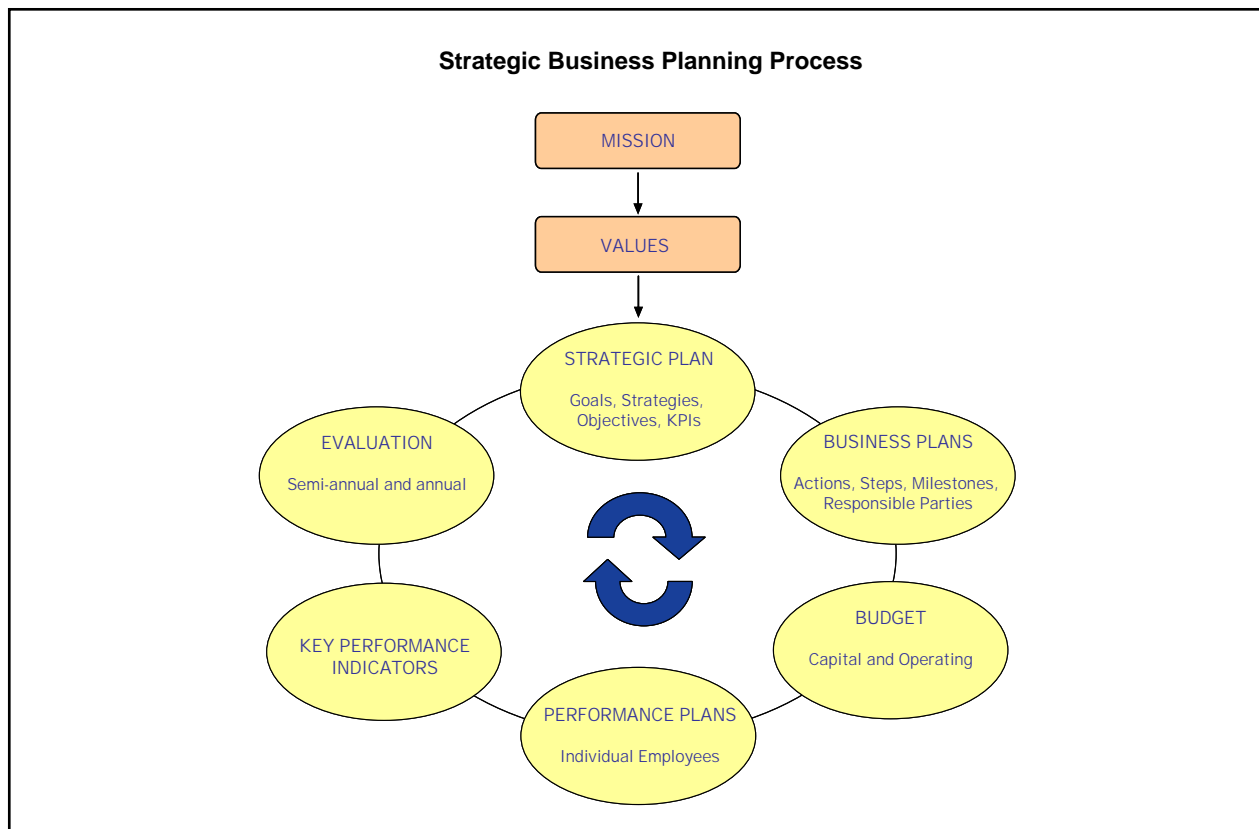
Strategic Plan 2012 strategies, objectives, and Key Performance Indicators are contained in the Appendices to this volume.

### Implementing the Plan

While the District’s Strategic Plan provides the overall direction on how to achieve future success, it does not describe the specific actions needed to achieve those objectives. These actions are spelled out in a series of master plans, business plans, and the Capital Improvement Plan that outline the tasks, milestones, and key dates for the various objectives contained in the strategic plan.

Strategic Business Plan priorities were developed for the FY14-15 timeframe in order to coincide with the budget process. Developing business plans tied to the strategic plan and using these plans to guide the setting of budget priorities ensures resources are focused on the highest priorities of the District.

Individual employee performance plans prepared on an annual basis reflect the priorities contained in the master, business, capital improvement and strategic plans, giving the employee a clear understanding of how his/her work relates to the District as a whole.



For a complete copy of the 2012 Strategic Plan, go to [www.ebmud.com/about-ebmud/strategic-plan](http://www.ebmud.com/about-ebmud/strategic-plan) or refer to the Glossary Section.

## ORGANIZATION STRUCTURE

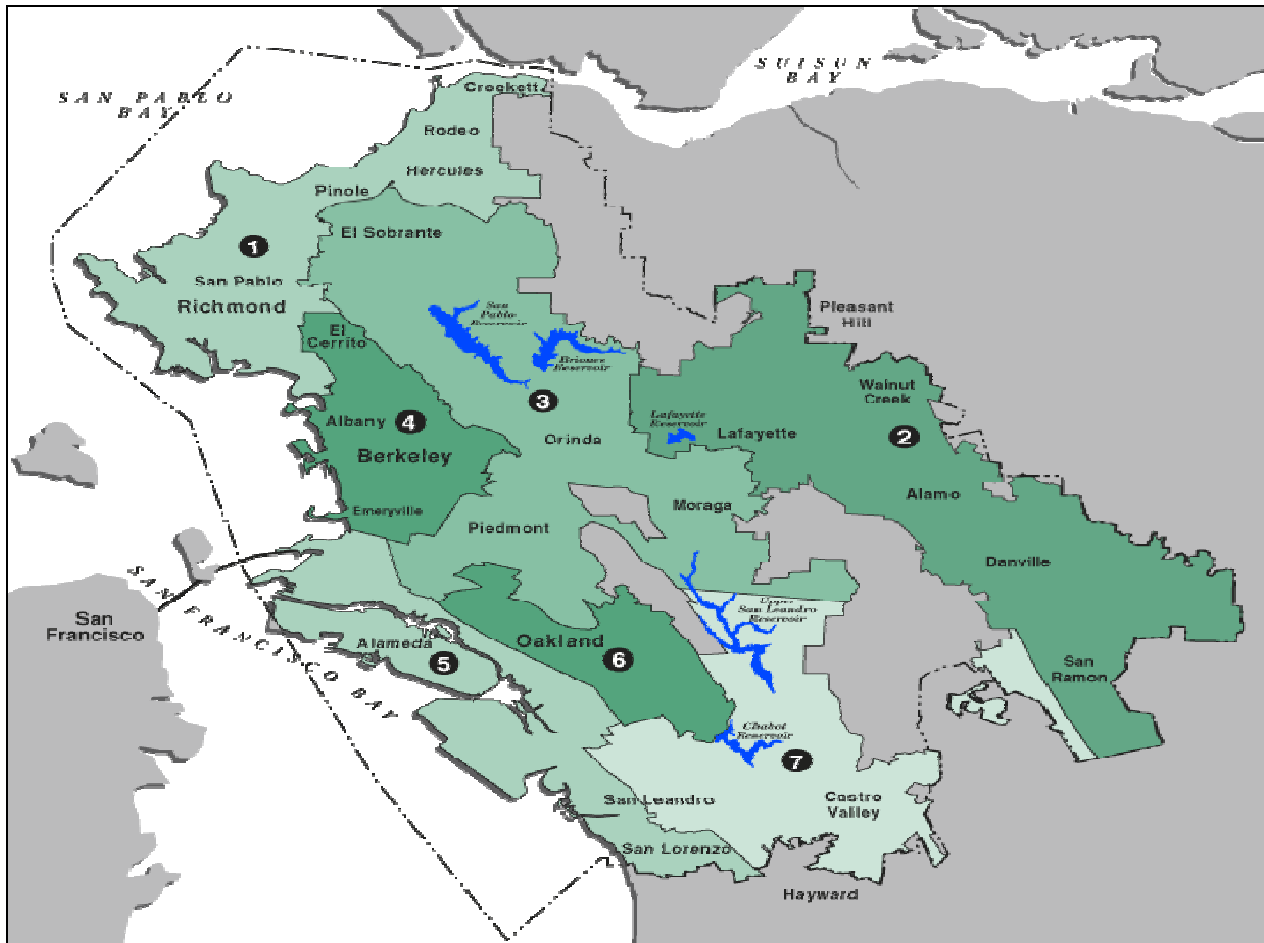
### EBMUD BOARD OF DIRECTORS

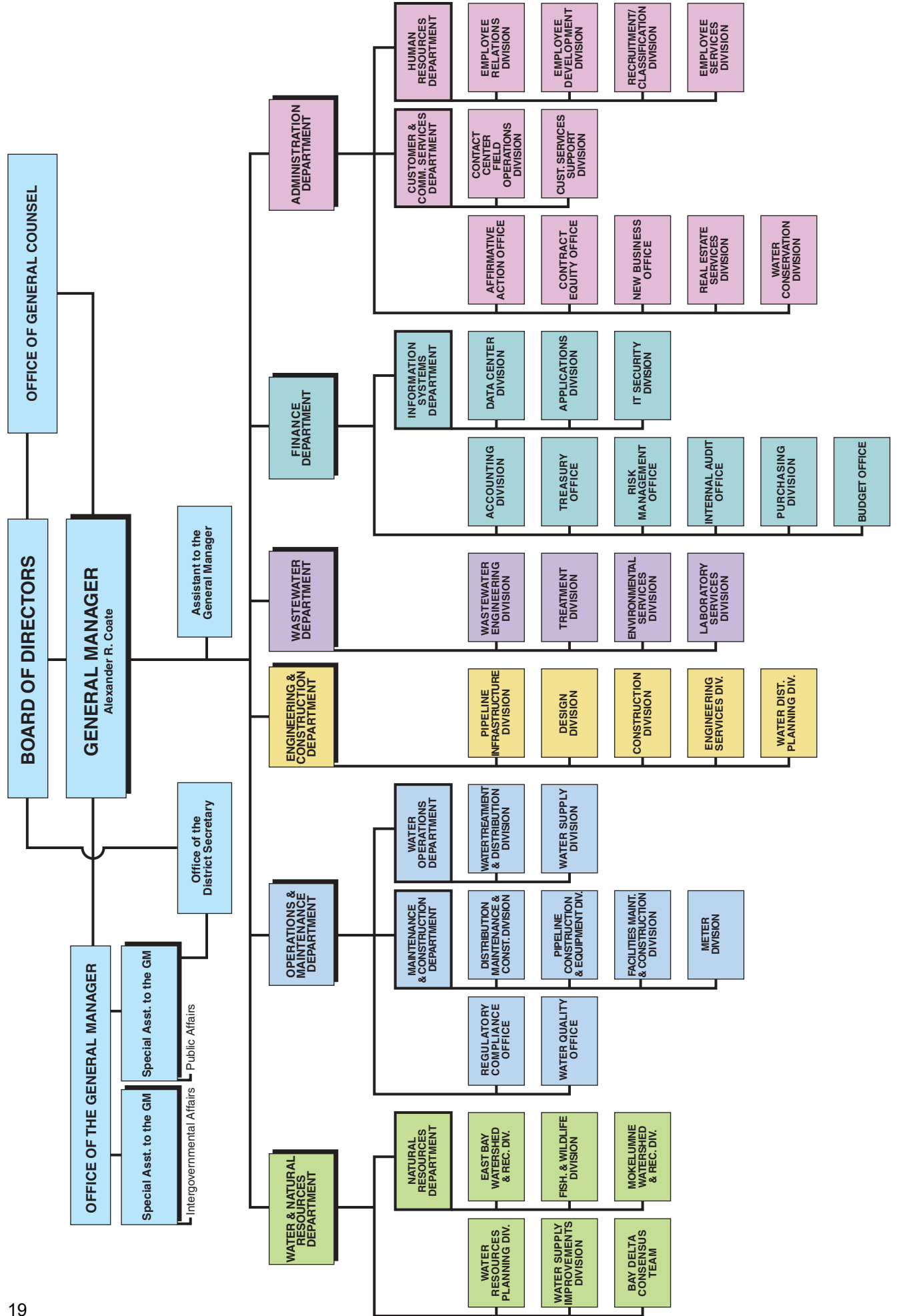
EBMUD has a seven-member Board of Directors publicly elected from wards within the service area. The Board of Directors and management believe that EBMUD has a public responsibility to preserve the region's resources and set industry standards for the way water and wastewater utilities conduct themselves.

- WARD 1**      Director: **Lesa R. McIntosh**      **Term expires 12/31/2016**  
CONTRA COSTA COUNTY: Cities of Crockett, Hercules, Rodeo, and San Pablo; portions of Richmond and Pinole; and communities of North Richmond and Selby.
- WARD 2**      Director: **John A. Coleman**      **Term expires 12/31/2014**  
CONTRA COSTA COUNTY: Cities of Alamo, Lafayette, Walnut Creek, Town of Danville; portions of San Ramon and Pleasant Hill and communities of Blackhawk and Diablo.
- WARD 3**      Director: **Katy Foulkes - Vice-President**      **Term expires 12/31/2014**  
ALAMEDA COUNTY: City of Piedmont, and a portion of Oakland.  
CONTRA COSTA COUNTY: Cities of Orinda and El Sobrante; Town of Moraga, and portions of Pinole and Richmond.
- WARD 4**      Director: **Andy Katz - President**      **Term expires 12/31/2014**  
ALAMEDA COUNTY: Cities of Albany, Berkeley, and Emeryville; and a portion of Oakland.  
CONTRA COSTA COUNTY: Cities of El Cerrito and Kensington.
- WARD 5**      Director: **Doug A. Linney**      **Term expires 12/31/2016**  
ALAMEDA COUNTY: Cities of Alameda and San Lorenzo; West Oakland and Oakland Airport Area, and a portion of San Leandro.
- WARD 6**      Director: **William B. Patterson**      **Term expires 12/31/2016**  
ALAMEDA COUNTY: Portions of Oakland (East Oakland and south of Park Boulevard/5<sup>th</sup> Avenue) to the San Leandro City boundary.
- WARD 7**      Director: **Frank Mellon**      **Term expires 12/31/2014**  
ALAMEDA COUNTY: Castro Valley; portions of San Leandro and Hayward; communities of Cherryland and Fairview.  
CONTRA COSTA COUNTY: Portion of San Ramon.



# EBMUD WARD MAP





## **EBMUD SENIOR MANAGEMENT**

Alexander R. Coate	General Manager
Jylana D. Collins	General Counsel
Marlaigne K. Dumaine	Special Assistant to the General Manager – Governmental Affairs
Cheryl A. Farr	Special Assistant to the General Manager – Communications
Lynelle M. Lewis	Secretary of the District
Nicholas J. Irias	Manager of Information Systems
Xavier J. Irias	Director of Engineering and Construction
Carol Y. Nishita	Director of Administration
Eric L. Sandler	Director of Finance
Richard G. Sykes	Director of Water and Natural Resources
Delores A. Turner	Manager of Human Resources
Michael J. Wallis	Director of Operations and Maintenance
Eileen White	Manager of Operations and Maintenance
Ben Horenstein	Director of Wastewater
Vacant	Manager of Natural Resources
Vacant	Manager of Maintenance and Construction
Vacant	Manager of Customer and Community Services

## WORKFORCE

EBMUD employs approximately 1,800 people. Most are represented by the American Federation of State, County and Municipal Employees, Locals 444 and 2019; the International Federation of Professional and Technical Engineers, Local 21; and the International Union of Operating Engineers, Local 39.

In 1984, the Board of Directors adopted a Minority Business and Women Enterprise Policy to formalize its established practice of increasing the amount of District business contracted with minority and female-owned businesses and professional services. In 1998, the Board replaced this program and policy with the Contract Equity Policy and Program and also adopted a policy to increase workforce diversity among District contractors.



In 1991, the Board adopted a policy preventing sexual harassment in the workplace. The Board annually reaffirms the District's Equal Employment Opportunity policies and an Affirmative Action Plan.

## EBMUD OFFICES



Administration Building  
375 Eleventh Street, Oakland, 94607

Wastewater Treatment Plant  
2020 Wake Ave, Oakland, 94607



# FINANCIAL ORGANIZATION AND BUDGET PROCESS

## INTRODUCTION

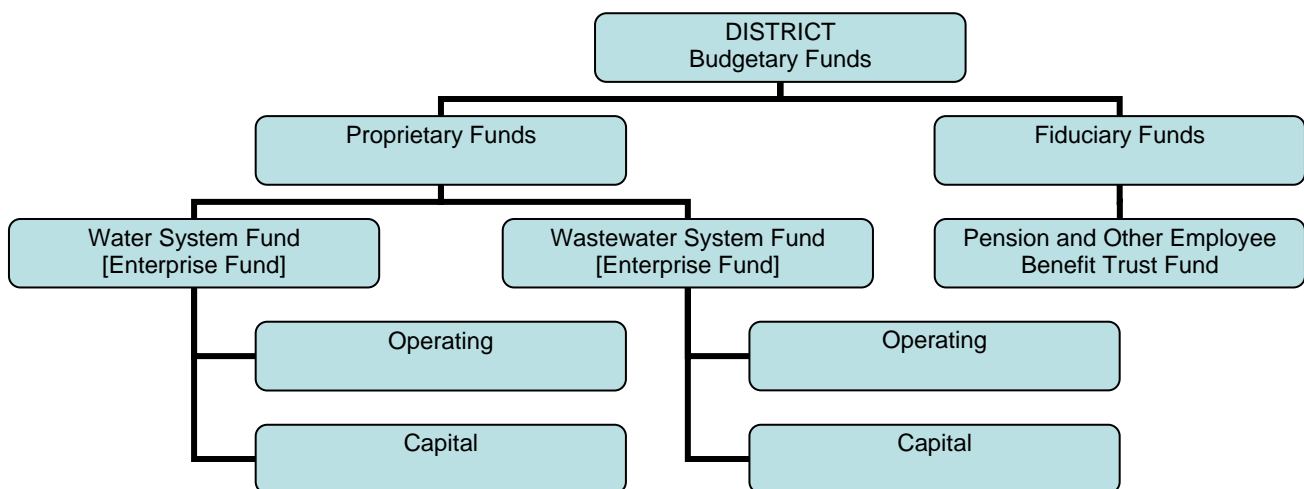
This section describes the District’s financial structure, financial organization, and budget development process. It provides a comprehensive financial overview, including the parameters under which the budget is created.

## FINANCIAL ORGANIZATION

### Fund Structure and Descriptions

The District’s financial structure is based on proprietary and fiduciary funds [see glossary for definitions of terms]. The proprietary funds include two legally distinct and financially independent enterprise funds: the Water System and the Wastewater System. The two separate funds preserve the unique expenditure and revenue distinction between the two entities. When services are provided by one system for the benefit of the other, the appropriate fund is billed and cash transfers are made to the other.

- The Water System is engaged in the collection, transmission, and distribution of water to communities within Alameda and Contra Costa counties of California. In addition, the Water System provides administrative, financial, and other support services to the Wastewater System. These costs are charged to the Wastewater System.
- The Wastewater System is engaged in the interception and treatment of wastewater from residences and industries in the California communities of Alameda, Albany, Berkeley, Emeryville, Oakland, Piedmont, and the Stege Sanitary District.



Both systems are proprietary, enterprise funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the expense of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Both funds are appropriated, and both funds encompass operating and capital programs.

These funds are organized according to the Uniform System of Accounts for Water Utilities, as established by the California Public Utilities Commission, and adhere to the Government Finance Officers Association (GFOA) requirements for enterprise funds.

In addition to the District's proprietary funds, the District maintains a fiduciary fund used to account for resources held for the benefit of parties outside the government. The District's fiduciary fund consists of the Pension and Other Employee Benefit Trust fund, which is maintained to account for assets held by the Employee's Retirement System in a trustee capacity for vested and retired employees.

## **Financial Reporting**

The District prepares its financial reports in conformity with generally accepted accounting principles (GAAP) used in the United States of America. The Finance Department prepares, at the conclusion of each fiscal year, the Comprehensive Annual Financial Report (CAFR) in compliance with principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB), and the guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada. The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to EBMUD for its Comprehensive Annual Financial Report for the fiscal year ending June 30, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements. This is the eighth consecutive year that EBMUD has received this award.

## **Budgetary and Accounting Basis**

EBMUD's budgets are prepared on a modified cash flow basis which projects the District's cash inflows and outflows over the course of a fiscal year (July 1 through June 30) excluding physical and intangible assets such as depreciation. Revenues are recognized as they are received and accounted for while obligations for expenditures are recognized when a commitment is made through an encumbered purchase order or actual expense.

EBMUD's accounts and transactions are tracked on an accrual basis, which is the basis of accounting under governmental GAAP. Under this method, all assets and liabilities associated with operations are included on the balance sheet, and revenues are recorded when earned and expenses are recorded at the time commitments are incurred.

Depreciation and amortization are handled differently in account reporting and in budgetary reporting. In account reporting, depreciation and amortization are included, and the repayment of the principal on debt as expenses is excluded. In budgetary reporting, depreciation and amortization are excluded, and the repayment of the principal on debt as expenses is included.

## Financial Planning

The District prepares a biennial strategic plan and annual financial forecasts that provide the basis for developing the budget. Long-term financial stability is a goal in the District's Strategic Plan, which includes managing the District's finances to support its needs and maintain reasonable water and wastewater rates.

Revenue requirements over a five-year planning horizon are evaluated to determine the level of rate adjustments required for the upcoming budget years. To the extent possible, increases in water and wastewater rates are adjusted to avoid large fluctuations.

## Financial Policies

The District establishes policies and resolutions to comply with the stipulations set forth in the MUD Act. The policies described below set forth key objectives for long-range financial planning and control.

The following policies are included in the appendices as a reference:

- Policy 4.02 Cash Reserves and Debt Management
- Policy 4.04 Financial Planning and Budgetary Control
- Policy 4.07 Investment Policy
- Policy 4.13 Establishing Water Rates

**Policy 4.02: Cash Reserves and Debt Management**, identifies specific financial metric targets.

The District strives to maintain operating reserves at a level sufficient to meet working capital and unanticipated needs by:

- Maintaining working capital reserves of at least three months operating and maintenance expenses.
- Maintaining self-insurance reserves at 1.25 times the expected annual expenditures.
- Maintaining workers' compensation reserves equal to the estimated future liability for workers' compensation claims.
- Maintaining contingency and rate stabilization reserves:
  - For Water System - 20% of projected annual water volume sales.
  - For Wastewater System - 5% of projected annual operating and maintenance expenses.

The District strives to maintain a balance between current funding sources and debt financing over each five-year planning horizon by:

- Maintaining an annual revenue bond debt coverage ratio of at least 1.6 times coverage.
- Limiting the use of debt financing to no more than 65% of the total capital program over each five-year planning period.
- Limiting the use of commercial paper/variable rate debt to 25% of outstanding long-term debt.

**Policy 4.04: Financial Planning and Budgetary Control**, provides for the efficient use of District resources through financial planning and cost control; keeping total annual



expenditures to the level of total annual revenue; periodic status reports on revenues, expenditures, and investments, and establishes the authority of the General Manager to transfer up to 5% of each fiscal years' adopted budget between the capital and operating budgets within each System Funds, provided that the total budget for each System fund remains unchanged.

**Policy 4.07: Investment Policy**, establishes four criteria for selecting investments: safety, liquidity, yield, and diversity. A range of maturities provides a high rate of return while providing adequate security and liquidity to pay demands when due.

**Policy 4.13: Establishing Water Rates**, sets forth the rate methodology, rate design, and rate distribution that provide adequate revenues while keeping rates affordable, encouraging conservation and efficient use of water, and reflecting the cost of providing service to customers. Rates should provide sufficient revenue to provide a safe, reliable, and sufficient water supply over the long term.

The rate methodology used is a cost-of-service methodology recommended by the American Water Works Association (AWWA). Rate design considers the impact on conservation and water supply enhancement such as incentive pricing for water, recycled water, and drought rates during periods of limited availability. Rate design is also consistent with the Memorandum of Understanding (MOU) Regarding Urban Water Conservation of the California Urban Water Conservation Council (CUWCC); CA Assembly Bill AB1712 declaring water conservation as an important component of rate structure design; CA Senate Bill SBx7-7 which calls for reductions in urban per capita water use; and Article X, section 2 of the California Constitution which requires the beneficial use of water resources.

## THE BUDGET PROCESS

During the budget process, the District makes decisions on the efficient use of its resources using its Strategic Plan for guidance. A financial plan and biennial budget is established for the Water System and the Wastewater System that includes the operating and capital programs and sets levels of related operating, capital and debt service expenditures that may be made during the budget period.

The budget is developed to reflect the costs necessary to provide customers with safe and reliable water and wastewater service over the long term while keeping rate increases as low as possible. The budget not only allocates resources, but is also used to develop rates and charges that provide adequate revenues to meet the District's needs, and encourages the efficient use of water.

Decisions on allocating resources and addressing budget needs do not end when the Board adopts the budget. Throughout the year departments are responsibilities for implementing the budget and monitoring budget performance, responding to unforeseen or emergency circumstances, and participating in long-range financial planning.

The District received the GFOA's Distinguished Budget Presentation Award for its biennial budget document dated June 14<sup>th</sup>, 2011. To qualify for this award, the budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communication device. This is the twelfth consecutive year that EBMUD has received the GFOA award.

### Balanced Budget

The District budget is balanced when operating revenues are equal to or greater than operating expenditures including debt service (i.e., budgeted expenditures shall not exceed budgeted revenues), and ending fund balances meet minimum policy levels. EBMUD establishes its budget on the principle of overall revenue neutrality, as outlined in the American Water Works Association (AWWA) Manual M-1 Principles of Water Rates, Fees and Charges recommendations for government-owned utilities. The District's rates and charges are set to ensure that revenues are sufficient to recover the total cash needs in a given fiscal year.

### Budget Calendar

During a budget creation year, the following calendar describes the steps taken to establish the biennial budget.

**Assess and Evaluate:** Budget goals, organization needs, current factors

July	Strategic Plan updated
August	Budget guidelines prepared
September	Capital budget development starts
October	Operating budget development starts New business plans completed
November	Review of capital budget requests begins
December	Review of operating budget requests begins

**Develop:** Capital improvement program, biennial operating budget, water and wastewater rates

January/February	Capital improvement program and operating budget recommendations developed by Senior Management with input from Board of Directors Water and Wastewater rates to fund budget needs proposed
March	Documents prepared to present proposed budget and rates to the Board and the public

**Review, Approve and Implement:** Rates, Fees & Charges, capital budget, operating budget

April	General Manager presents proposed operating and capital budgets, and proposed rates, fees and charges to the Board at a budget workshop
June	California Proposition 218 notices are distributed to property owners Public hearing on rates Board adopts operating and capital budgets, and rates, fees and charges
July	Adopted rates and budget implementation begins Budget, and rates and charges documents, published

### **Mid-Cycle Budget Update**

The Board of Directors approves the budget covering a two-year period. The Board reviews and reaffirms the second year of the two-year budget prior to the start of a new fiscal year in July. A Mid-Cycle Budget Update provides a budget status and projected changes to revenues, expenditures and staffing.

### **Annual Budget Performance Report**

At the conclusion of each fiscal year, the Board of Directors is provided with a comparative analysis of expenditures to budget.

### **Budget Responsibilities**

Budget decisions are made through a process that involves the Board of Directors, District staff and the public. The responsibilities for financial management planning and budget control are as follows:

#### **Departmental Responsibilities**

- Prepare capital improvement program and biennial budget requests.
- Monitor financial performance and take prompt corrective action, as needed.
- Monitor key performance indicators and take corrective action, as appropriate.
- Promptly inform the General Manager when unforeseen circumstances indicate that budget amounts may be exceeded or that expected revenues may be less than planned.

## **Finance Department Responsibilities**

### Treasury Office

- Recommend procedures for revenue collection, payment of approved demands, reporting and other actions associated with the prudent management of the District's financial resources.
- Provide for the issuance of debt to fund the capital improvement program.
- Prepare financial projections, schedules of rates and charges, tax rate proposals and other financial materials.

### Accounting Division

- Produce monthly expenditure and revenue reports.
- Prepare and present information on financial trends to facilitate evaluation of the District's financial position and identify conditions requiring management attention.
- Prepare periodic reports on the status of expenditures, revenues, investments and actions taken to ensure the financial stability of the District.

### Budget Office

- Support the development of the Strategic Plan that includes projections of short range and long range financial needs, and recommend methods for meeting those needs.
- Prepare the District's proposed biennial operating and capital improvement program budgets.
- Prepare budget performance reports on a monthly, quarterly, semi-annual and annual basis.
- Prepare the mid-cycle budget.
- Develop procedures and controls to monitor and assure compliance with the budget.
- Assist departments throughout the year with their budgets and financial issues.

## **General Manager Responsibilities**

- Review and present to the Board of Directors long range plans, budgets and revisions, schedules of rates and charges, payments of financial demands and other financial transactions, as necessary.
- Authorize budget transfers up to 5% of the fiscal years' adopted budget between the operating and capital budgets in each of the Water and Wastewater System's budgets, provided that the total budget for each of the two systems remains unchanged.
- Implement emergency financial procedures within approved limits, when necessary.

## **Budgetary Controls**

Automated District-wide budgetary controls track spending to the amounts set in the budget. Budgetary controls function differently for operating and capital budget expenditures.

For the operating budget, each department is controlled within expenditure category: personnel costs, contract services, and operations and maintenance. Departments are not allowed to exceed their authorized operating budget for the fiscal year.

For the capital budget, each capital project is controlled based on its appropriation. A project may not exceed its total appropriation. Unlike the operating budget, which expires on June 30 of each year, capital appropriations are multi-year and will last the life of the project.

## **Budget Adjustments**

Adjustments to the operating budget are reallocations of funds between organizational units, activities, and/or line items, which allow departments to have financial flexibility within established budgetary controls. Budget adjustments to the capital budget are reallocations of funds within or between projects. Approval from the affected department(s) and the Budget Office is required for all budget adjustments.

General Manager approval is required for the reallocation of funds from contingency, and the reallocation of funds between the operating and capital budgets in both the Water and Wastewater Systems. Approval from the Board of Directors is required for increases to the total adopted budget of the Water or Wastewater System.

## **Capital Improvement Program Preparation**

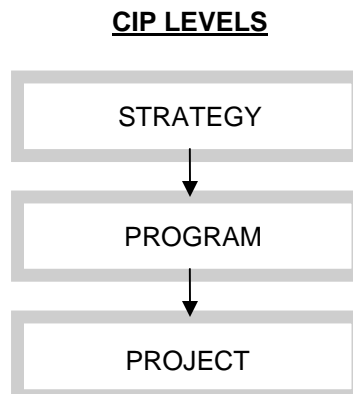
### **Purpose**

The Capital Improvement Program (CIP) communicates the capital priorities of the District for the next five years.

As part of the District's goal to expand the capital budget planning horizon to ten years, future capital needs have been estimated for a second five-year period. These future year estimates enable the District to more accurately identify and prioritize its infrastructure needs and plan for future infrastructure investments. Given the uncertainty of plans for capital improvements, this budget document focuses on the first five years of the CIP.

### **CIP Structure**

The Capital Improvement Program consists of three primary levels. In descending order, they are:



The highest level of the CIP structure is a strategy, which groups several programs representing key capital objectives as identified in the EBMUD's Strategic Plan. There are nine Water System strategies, and three Wastewater System strategies:

**Water System Strategies:**

- **Emergency Preparedness** increases the District's capability to respond to emergencies;
- **Extensions/Improvements to the System** provides service to new customers within the Ultimate Service Boundary, and improvements to provide more reliable customer service;
- **Facilities, Services & Equipment** provides for the renovation of existing facilities to improve public and/or employee safety, and make upgrades to major information systems;
- **Maintaining the Infrastructure** ensures that water system facilities are well maintained to function efficiently and safely, and operate at an appropriate level of service;
- **Regulatory Compliance** ensures compliance with new and existing environmental regulations and permit requirements, including dam safety;
- **Resource Management** makes improvements to the Mokelumne River habitat, recreation areas, and water quality on the watershed;
- **Water Quality** ensures compliance with current and proposed drinking water regulations, including the water distribution system and water treatment plants;
- **Water Supply** ensures a sufficient future water supply to meet the needs of our customers; and
- **Non-Program Specific** consists of projects that are not specific to any particular strategy, and contingency for unanticipated expenditures.

**Wastewater System Strategies:**

- **Maintaining the Infrastructure** ensures that wastewater facilities are well maintained so that they function efficiently and safely, and operate at an appropriate level of service;
- **Regulatory Compliance** ensures compliance with new and existing wastewater regulations and permit requirements; and
- **Non-Program Specific** consists of projects that are not specific to any particular strategy, and contingency for unanticipated expenditures.

The second level in the CIP structure is a program, which represents a group of related projects combined to facilitate planning and decision-making. A discussion of the significant programs included in the CIP can be found in the CIP program highlights sections of the Water System and Wastewater System chapters.

The third level in the CIP structure is a project, which is a discrete set of capital improvement tasks, coordinated by a project manager. Appropriation requests and projected spending (cash flow) are authorized at the project level. A discussion of each project included in the CIP can be found in the Supplemental volume of the budget.

## **CIP Budget Preparation**

The Capital Improvement Program (CIP) is prepared as part of the District's biennial budget process. The responsibilities for preparing and managing the CIP are shared among District staff as follows:

### **Project Management**

Project managers work together to meet the requirements of the biennial CIP budget process, and to implement a specific program or project. During the budget process the project managers update project appropriations and cash flows, and modify project descriptions and justifications to identify recent and anticipated major accomplishments. Managers also work together to identify the most effective ways to schedule, staff, and coordinate projects.

The steps used to budget for the CIP are:

- Identify the required appropriation and estimated cash flow for each project;
- Propose and justify new capital projects needed to carry out the goals of the District;
- Justify additional appropriation requests and identify how resources will be allocated to accomplish the work; and
- Include direct costs (without overhead), contingency and an inflation factor in the recommended appropriations and cash flows for projects.

### **Capital Steering Committee (CSC)**

The CSC consists of Department Directors and Managers responsible for the overall management of the CIP during the budget preparation process and throughout the year.

Responsibilities include:

- Serve as an advisory group to the General Manager and the Budget Office;
- Review projects for opportunities to combine programs and projects, streamline costs, and determine the necessity for proposed new projects;
- Confirm the adequacy of District resources to complete proposed projects;
- Scrutinize proposed project cash flow amounts;
- Establish priorities and finalize the list of individual projects to be presented to the General Manager and Board of Directors based on available resources and project justification;
- Review the status of the CIP regularly;
- Work with project management staff to resolve administrative issues; and
- Authorize necessary changes to project scope, schedule and budget that are within staff's administrative authority.

### **Budget Office**

The office is responsible for the overall management of the budget process which includes:

- Manage the CIP budget preparation and planning process;
- Provide staff support to the CSC;
- Ensure that the decisions of the CSC and General Manager are reflected in the budget;
- Determine types and levels of funding necessary for the CIP and ensure availability of funds; and

- Report to the General Manager and CSC the status of capital project appropriations and cash flow spending. Report CSC recommendations regarding adjustments to the CIP that require either General Manager or Board approval.

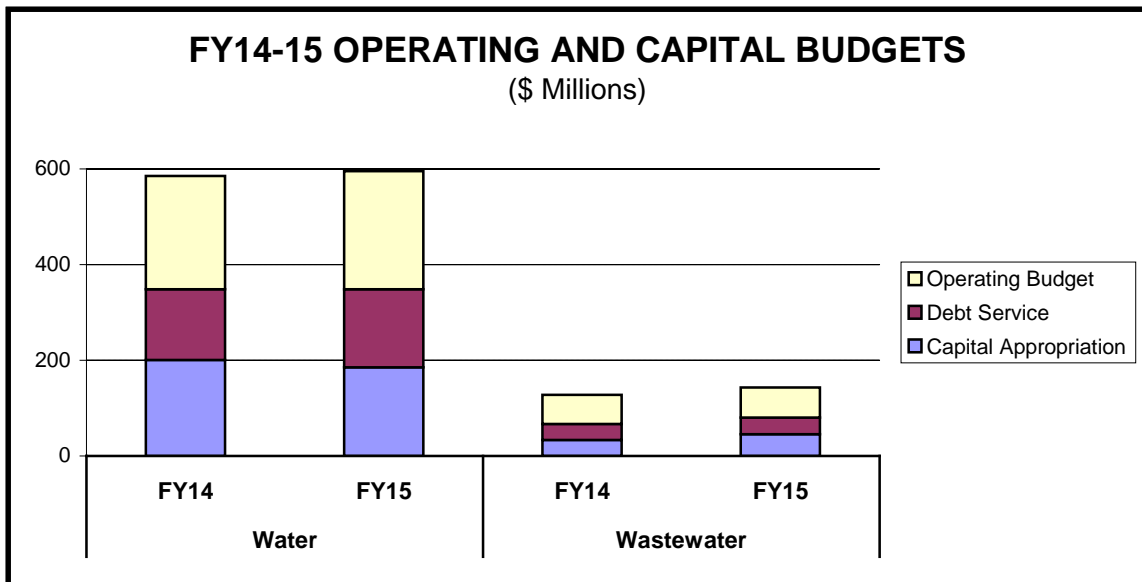


## CHAPTER 2: DISTRICT BUDGET SUMMARY

### REQUESTED APPROPRIATIONS

The FY14 budget of \$713.6 million is comprised of \$297.7 million or 41.7% for operating expense, \$181.2 million or 25.4% for debt service expense and \$234.7 million or 32.9% for Capital Improvement Program (CIP) appropriation. The FY15 budget of \$739.6 million is comprised of \$310.3 million or 42.0% for operating expense, \$197.5 million or 26.7% for debt service expense and \$231.8 million or 31.3% for CIP appropriation. The graphs and tables below provide a comparison of FY14 and FY15 and illustrate the total appropriation for the operating and capital budgets including debt service for each fund.

<b>FY14-15 OPERATING AND CAPITAL BUDGETS</b>						
(\$000's)						
Proposed Budget	FY14			FY15		
	Water System	Wastewater System	District Total	Water System	Wastewater System	District Total
Operating Budget	236,875	60,848	297,723	246,930	63,358	310,288
Debt Service	<u>147,463</u>	<u>33,689</u>	<u>181,152</u>	<u>163,213</u>	<u>34,307</u>	<u>197,520</u>
<b>Total Operating</b>	<b>384,338</b>	<b>94,537</b>	<b>478,875</b>	<b>410,143</b>	<b>97,665</b>	<b>507,808</b>
Capital Appropriation (includes Admin & Gen)	<u>200,814</u>	<u>33,878</u>	<u>234,692</u>	<u>185,022</u>	<u>46,814</u>	<u>231,836</u>
<b>Grand Total</b>	<b>585,152</b>	<b>128,415</b>	<b>713,567</b>	<b>595,165</b>	<b>144,479</b>	<b>739,644</b>



## WATER AND WASTEWATER SYSTEM FUND SUMMARIES

The following table shows fund balance, and projected revenues and expenditures for the Water System.

<b>Water System Fund Summary</b>						
<b>Including Operating and Capital Budgets</b>						
<b>(\$ Millions)</b>						
	<u>FY14</u>			<u>FY15</u>		
	Operating	Capital	Fund Balance (Total)	Operating	Capital	Fund Balance (Total)
<b>Fund Balance at Beginning of FY (Projected)</b>	<b>240.2</b>	<b>18.4</b>	<b>258.6</b>	<b>244.8</b>	<b>94.0</b>	<b>338.8</b>
<b>Sources of Funds</b>						
<b>Operating Revenues</b>						
Water Charges	354.0		354.0	391.8		391.8
Seismic Surcharges	22.4		22.4	24.6		24.6
Property Taxes	23.4		23.4	23.8		23.8
Power Sales	5.7		5.7	5.7		5.7
Interest Income	2.3		2.3	4.0		4.0
SCC Revenue	23.7		23.7	23.3		23.3
Reimbursements	10.5		10.5	10.5		10.5
All Other Revenue	<u>16.3</u>		<u>16.3</u>	<u>16.5</u>		<u>16.5</u>
<b>Total Operating Revenues</b>	<b>458.3</b>		<b>458.3</b>	<b>500.2</b>		<b>500.2</b>
<b>Capital Funding Sources</b>						
Commercial Paper Issues		0.0	0.0		0.0	0.0
New Bond Issues		175.0	175.0		0.0	0.0
Grants and Loans Proceeds		0.9	0.9		0.9	0.9
Reimbursements		16.4	16.4		15.5	15.5
Revenue Funded Capital	<u>-69.4</u>	<u>69.4</u>	<u>0.0</u>	<u>-85.6</u>	<u>85.6</u>	<u>0.0</u>
<b>Total Capital Revenues</b>	<b>-69.4</b>	<b>261.7</b>	<b>192.3</b>	<b>-85.6</b>	<b>102.0</b>	<b>16.4</b>
<b>Total Funds</b>	<b>388.9</b>	<b>261.7</b>	<b>650.6</b>	<b>414.6</b>	<b>102.0</b>	<b>516.6</b>
<b>Expenditures</b>						
Operating Budget	236.9		236.9	246.9		246.9
Debt Service	147.4		147.4	163.2		163.2
Capital Cash Flow (includes Admin & Gen)		<u>186.1</u>	<u>186.1</u>		<u>195.9</u>	<u>195.9</u>
<b>Total Expenditures</b>	<b>384.3</b>	<b>186.1</b>	<b>570.4</b>	<b>410.1</b>	<b>195.9</b>	<b>606.0</b>
<b>Ending Balance *</b>	<b>244.8</b>	<b>94.0</b>	<b>338.8</b>	<b>249.3</b>	<b>0.1</b>	<b>249.4</b>

\* Includes reserves for working capital, self-insurance, worker's compensation, contingency and rate stabilization, and for capital projects

The following table shows fund balance, and projected revenues and expenditures for the Wastewater System.

<b>Wastewater System Fund Summary</b>						
<b>Including Operating and Capital Budgets</b>						
<b>(\$ Millions)</b>						
	<u>FY14</u>			<u>FY15</u>		
	Operating	Capital	Fund Balance (Total)	Operating	Capital	Fund Balance (Total)
<b>Fund Balance at Beginning of FY (Projected)</b>	<b>73.4</b>	<b>4.2</b>	<b>77.6</b>	<b>60.5</b>	<b>0.7</b>	<b>61.2</b>
<b>Sources of Funds</b>						
<b>Operating Revenues</b>						
Treatment Charges	61.5		61.5	66.9		66.9
Resource Recovery	7.0		7.0	6.5		6.5
Wet Weather Facilities Charge	19.8		19.8	21.5		21.5
Property Taxes	4.1		4.1	4.2		4.2
Ad Valorem Bond Levy	4.2		4.2	4.3		4.3
Interest Income	0.4		0.4	0.7		0.7
Laboratory Services	3.7		3.7	3.8		3.8
Reimbursements	0.9		0.9	0.9		0.9
Permit Fees	1.9		1.9	1.9		1.9
Capacity Charge	1.5		1.5	1.5		1.5
All Other Revenue	<u>4.6</u>		<u>4.6</u>	<u>4.6</u>		<u>4.6</u>
<b>Total Operating Revenues</b>	<b>109.6</b>		<b>109.6</b>	<b>116.8</b>		<b>116.8</b>
<b>Capital Funding Sources</b>						
Commercial Paper Issues		0.0	0.0		0.0	0.0
New Bond Issues		0.0	0.0		0.0	0.0
Grants and Loans Proceeds		0.0	0.0		0.0	0.0
Capital Reimbursements		0.0	0.0		0.0	0.0
Revenue Funded Capital	<u>-28.0</u>	<u>28.0</u>	<u>0.0</u>	<u>-30.9</u>	<u>30.9</u>	<u>0.0</u>
<b>Total Capital Revenues</b>	<b>-28.0</b>	<b>28.0</b>	<b>0.0</b>	<b>-30.9</b>	<b>30.9</b>	<b>0.0</b>
<b>Total Funds</b>	<b>81.6</b>	<b>28.0</b>	<b>109.6</b>	<b>85.9</b>	<b>30.9</b>	<b>116.8</b>
<b>Expenditures</b>						
Operating Budget	60.8		60.8	63.4		63.4
Debt Service	33.7		33.7	34.3		34.3
Capital Cash Flow (Includes Admin & Gen)		<u>31.5</u>	<u>31.5</u>		<u>30.9</u>	<u>30.9</u>
<b>Total Expenditures</b>	<b>94.5</b>	<b>31.5</b>	<b>126.0</b>	<b>97.7</b>	<b>30.9</b>	<b>128.6</b>
<b>Ending Balance *</b>	<b>60.5</b>	<b>0.7</b>	<b>61.2</b>	<b>48.7</b>	<b>0.7</b>	<b>49.4</b>

\* Includes reserves for working capital, self-insurance, worker's compensation, contingency and rate stabilization, and for capital projects

## SOURCES OF FUNDS

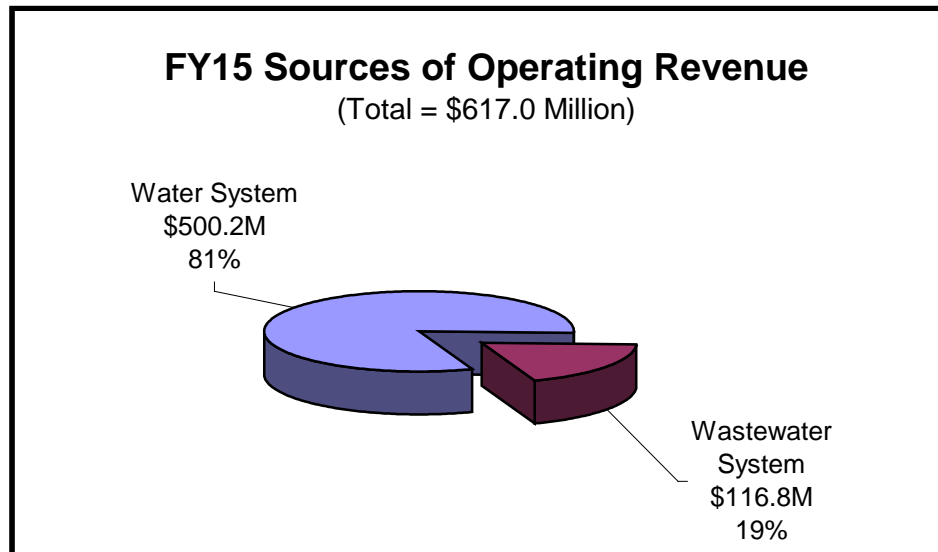
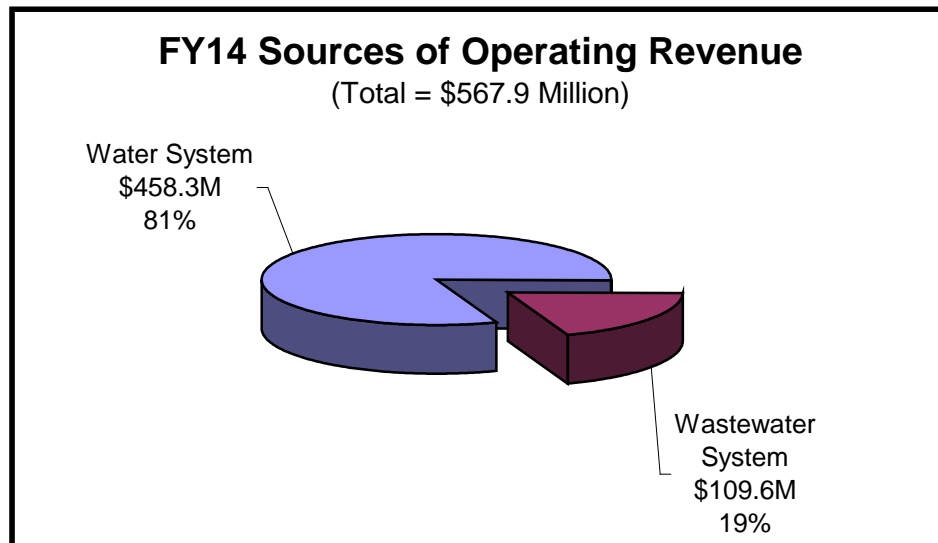
The table below displays the amounts to be collected from revenue sources and also shows the amounts that are expected to be received from the issuance of debt to fund a portion of the capital program for the Water and Wastewater Systems.

<b>TOTAL SOURCES OF FY14-15 FUNDS</b>					
(\$ Millions)					
<b>WATER SYSTEM</b>			<b>WASTEWATER SYSTEM</b>		
<b>Operating Revenues:</b>	<b>FY14</b>	<b>FY15</b>	<b>Operating Revenues:</b>	<b>FY14</b>	<b>FY15</b>
Water Charges	354.0	391.8	Treatment Charges	61.5	66.9
Seismic Surcharges	22.4	24.6	Resource Recovery	7.0	6.5
Property Taxes	23.4	23.8	Wet Weather Facilities Charge	19.8	21.5
Power Sales	5.7	5.7	Property Taxes	4.1	4.2
Interest Income	2.3	4.0	Ad Valorem Bond Levy	4.2	4.3
SCC Revenue	23.7	23.3	Interest Income	0.4	0.7
Reimbursements	10.5	10.5	Laboratory Services	3.7	3.8
All Other Revenue	<u>16.3</u>	<u>16.5</u>	Reimbursements	0.9	0.9
			Permit Fees	1.9	1.9
			Capacity Charge	1.5	1.5
			All Other Revenue	<u>4.6</u>	<u>4.6</u>
<b>Total Operating Revenues</b>	<b>458.3</b>	<b>500.2</b>	<b>Total Operating Revenues</b>	<b>109.6</b>	<b>116.8</b>
Revenue Funded Capital	-69.4	-85.6	Revenue Funded Capital	-28.0	-30.9
<b>Capital Funding Sources:</b>			<b>Capital Funding Sources:</b>		
Revenue Funded Capital	69.4	85.6	Revenue Funded Capital	28.0	30.9
Commercial Paper Issues	0	0	Commercial Paper Issues	0	0
New Bond Issues	175.0	0	New Bond Issues	0	0
Grants and Loans Proceeds	0.9	0.9	Grants and Loans Proceeds	0	0
Reimbursements	<u>16.4</u>	<u>15.5</u>	Reimbursements	<u>0</u>	<u>0</u>
<b>Total Capital Funding Sources</b>	<b>261.7</b>	<b>102.0</b>	<b>Total Capital Funding Sources</b>	<b>28.0</b>	<b>30.9</b>
<b>Total Water Sources</b>	<b>650.6</b>	<b>516.6</b>	<b>Total Wastewater Sources</b>	<b>109.6</b>	<b>116.8</b>
<b>Total District Source of Funds:</b>					
<b>(Water + Wastewater)</b>			<b>FY14: \$760.2</b>		
			<b>FY15: \$633.4</b>		

## OPERATING REVENUE

The principal source of operating revenues is water sales and wastewater treatment charges. The budget includes rate increases for the Water System of 9.75% in FY14 and an additional 9.50% in FY15, and rate increases for the Wastewater System of 9.00% in FY14 and an additional 8.50% in FY15.

Operating revenues and other sources totaling \$567.9 million are needed during FY14. Of this amount, \$458.3 million is for the Water System and \$109.6 million is for the Wastewater System. Operating revenues and other sources totaling \$617.0 million are needed for FY15. Of this amount, \$500.2 million is for the Water System and \$116.8 million is for the Wastewater System.



## **CAPITAL FUNDS**

Funding for the CIP is drawn from multiple sources including bonds, revenue from rates, reimbursements from other agencies, grants and loans, System Capacity Charges (SCC), Wastewater Capacity Fees, and a seismic charge. The FY14 and FY15 CIP will be funded with bond proceeds, water and wastewater revenues, reimbursements and grants.

To fund the CIP, it is anticipated that the District will issue \$175 million in new revenue bonds in FY14 for the Water System, combined with revenue funded capital of \$69.4 million in FY14 and \$85.6 million in FY15.

For the Wastewater System, \$28.0 million in FY14 and \$30.9 million in FY15 of revenue funded capital will be used to fund the CIP; no bonds are intended to be issued in FY14 or FY15 for the Wastewater System.

## **OPERATING BUDGET**

Over the past several budget periods, the District has made a concerted effort to contain costs to mitigate the high rate increases that would otherwise have been necessary due to reductions in key revenue streams and growth in costs to provide water and wastewater services in a highly regulated environment. The typical District customer now pays less for water service than they would at almost any peer agency.

Despite the success of containing rising costs, the District is experiencing a growing backlog of deferred maintenance, a need to accelerate rehabilitation of aging infrastructure, customer service deficiencies, and declining financial performance. Standard & Poor's recently placed the Water System's AAA credit rating on negative watch, citing the need to meet the Board's debt service policy target without the use of one-time measures implemented over the last several years of prolonged economic downturn and decreased water sales volumes. Two other credit rating agencies expressed the same concern.

The FY14-15 budget focuses on four key strategic plan priority strategies: effective infrastructure maintenance, appropriate infrastructure investments, improved customer service and long-term financial stability.

The FY14-15 budget can be best described as a course correction. The adopted budget will reflect investment in key areas including effective preventive maintenance, infrastructure investments, and improved customer service through the redeployment of existing resources and the modest funding of existing vacant key positions. In addition, the District is currently in the process of negotiating labor agreements with its four unions. The final FY14 and FY15 costs associated with any negotiated salary or benefit changes are not known at this time.

The FY14 Water and Wastewater Systems combined operating budget including debt service is \$478.9 million. The FY15 Water and Wastewater Systems combined operating budget including debt service is \$507.8 million.

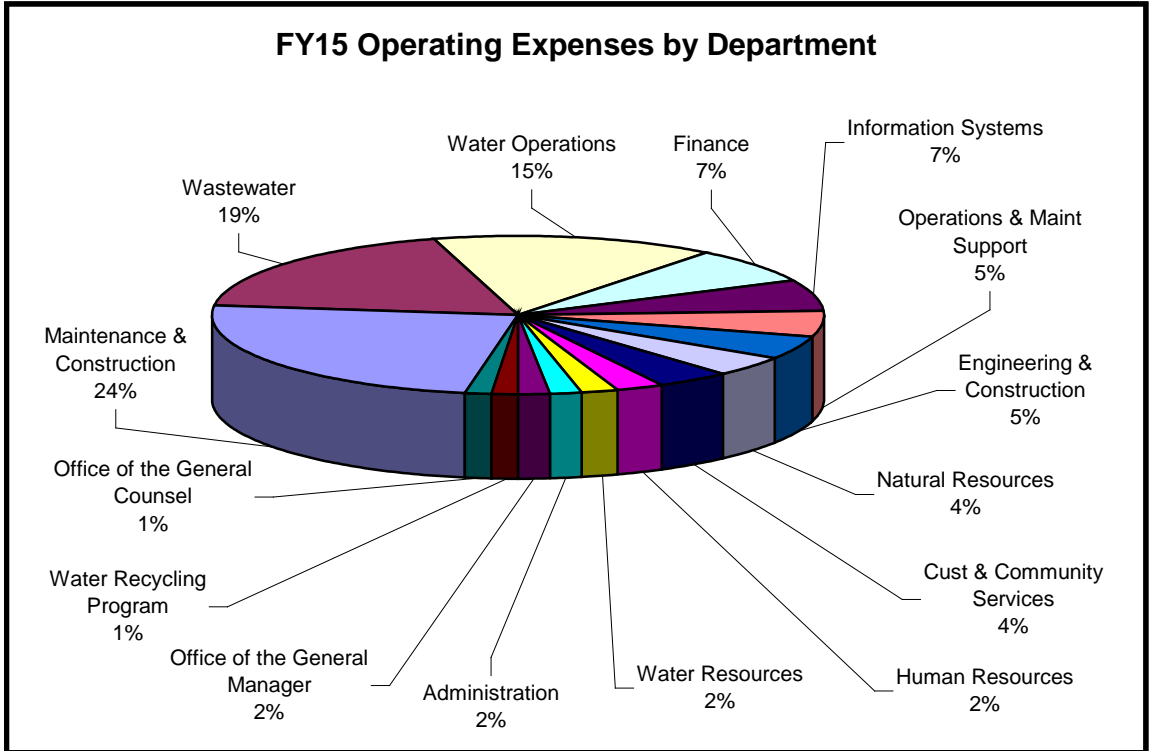
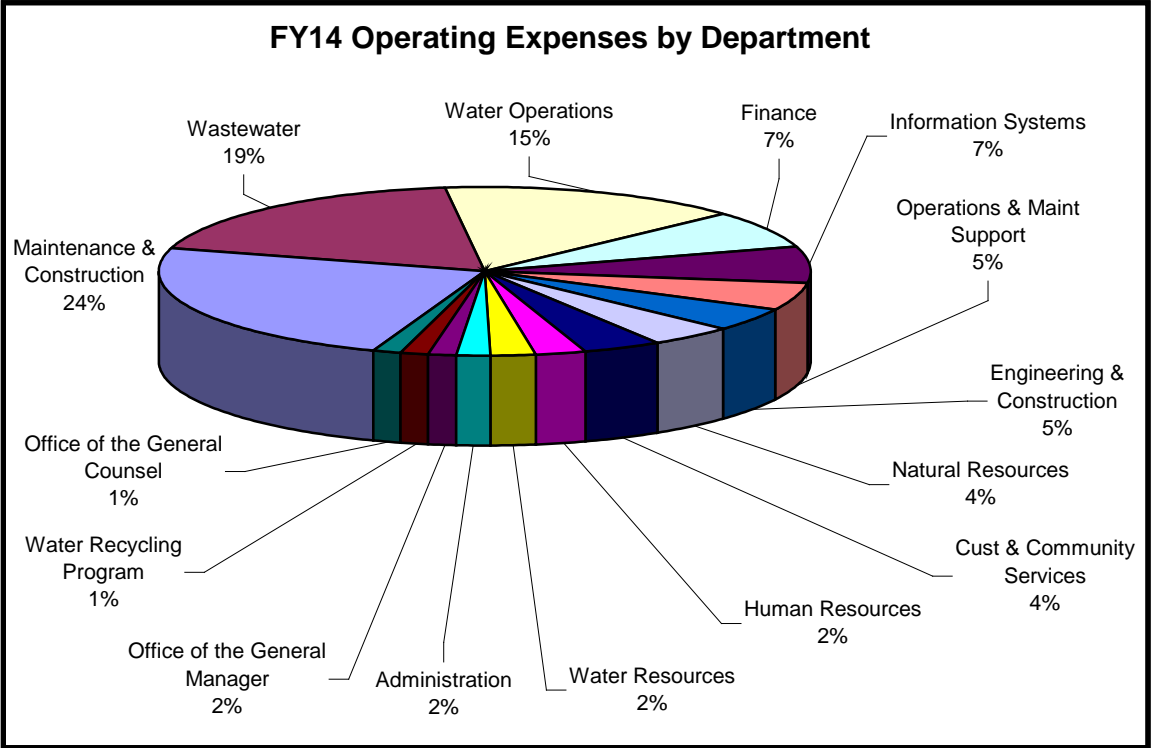
Of the above totals, staffed department's operating costs are \$336.4 million in FY14 and \$343.0 in FY15. These costs exclude non-department operating expenses such as the administration of capital, contingency, intradistrict transfers, and debt service.

The table below illustrates each Department's proportional percentage of the District's total operating budget of \$336.4 million in FY14 and \$343.0 million in FY15.

<b>FY14-15 DEPARTMENT OPERATING BUDGETS</b>				
<b>(\$000's)</b>				
<b>Department</b>	<b>FY14 Operating Budget</b>	<b>% of Total Operating Budget</b>	<b>FY15 Operating Budget</b>	<b>% of Total Operating Budget</b>
Maintenance & Construction	80,672	24.0%	82,665	24.1%
Wastewater	62,503	18.6%	64,019	18.7%
Water Operations	50,189	14.9%	51,985	15.2%
Finance	24,155	7.2%	24,420	7.1%
Information Systems	23,209	6.9%	22,205	6.5%
Operations & Maint Support	17,802	5.3%	18,155	5.3%
Engineering & Construction	15,401	4.6%	15,622	4.6%
Natural Resources	13,648	4.1%	14,052	4.1%
Cust & Community Services	13,335	4.0%	13,713	4.0%
Human Resources	8,120	2.4%	8,295	2.4%
Water Resources	7,339	2.2%	7,085	2.1%
Administration	5,748	1.7%	5,848	1.7%
Office of the General Manager	5,119	1.5%	5,594	1.6%
Water Recycling Program	4,659	1.4%	4,741	1.4%
Office of the General Counsel	4,482	1.3%	4,627	1.3%
<b>SUB-TOTAL Staffed Departments*</b>	<b>336,381</b>	<b>100%</b>	<b>343,026</b>	<b>100%</b>

\* This total excludes contingency, intradistrict transfers, administration of capital, and debt service.

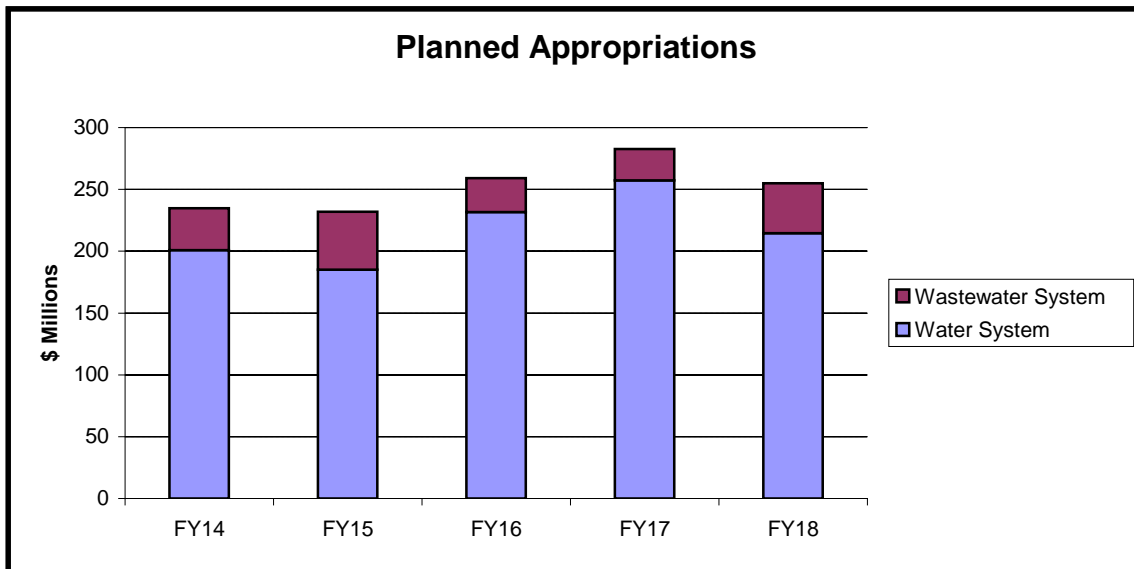




# CAPITAL IMPROVEMENT PROGRAM

## CAPITAL APPROPRIATION

Each budget cycle, the Board of Directors is presented the five-year CIP. While it approves the overall plan, it adopts only the first two years. The remaining years are for planning purposes only and are subject to revision. The FY14 capital budget appropriation, including administrative and general expenses is \$200.8 million for the Water System and \$33.9 million for the Wastewater System, for a total of \$234.7 million. In FY15, the capital budget appropriation is \$185.0 million for the Water System and \$46.8 million for the Wastewater System, for a total of \$231.8 million.



Once authorized by the Board, appropriations permit the District to incur obligations for capital projects. Appropriations may be expended over multiple years, and any unspent appropriations automatically carry forward to the next fiscal year. Appropriations vary from year-to-year depending upon the funding needs for the projected work. Administrative and general expenses allocated to the capital program are included.

As in previous years, significant effort has been made to keep the cost of the CIP reasonable, while making necessary improvements and additions to meet the needs of our customers. This CIP is reflective of the need to continue to replace and rehabilitate existing system infrastructure such as:

- Pipeline Installations, Extensions and Renewals – pipeline and service lateral work to serve new customers and to replace deteriorating water distribution pipelines;
- Pumping Plant Rehabilitation Program – upgrade and rehabilitation of the distribution pumping plants;
- Reservoir Rehabilitation - rehabilitation or replacement of the distribution reservoirs;
- Pressure Zone Improvements Program - rehabilitation and upgrade of reservoirs, pumping plants and transmission systems to ensure ample storage and pumping capacity and improve water quality;

- Aqueduct Program - upgrade and rehabilitation of the raw water aqueducts;
- Wastewater Digester Upgrade Project - rehabilitation of the digesters that stabilize and treat wastewater solids prior to disposal;
- Sewer Interceptor Rehabilitation – rehabilitation of portions of the interceptor system that is now approaching 60 years of service;
- Infiltration/Inflow Control – extensive flow monitoring and modeling, inspection of the entire interceptor system, and creation of a private sewer lateral incentive program;
- Concrete Rehabilitation – rehabilitation of the critical concrete structures, channels and gates at the Main Wastewater Treatment Plant; and
- Treatment Plant Infrastructure – replacement and rehabilitation of various treatment process facilities at the Main Wastewater Treatment Plant.

These key programs and projects are discussed in Chapters 2 and 3. Additionally, a full description of each project included in the CIP can be found in the supplemental volume.

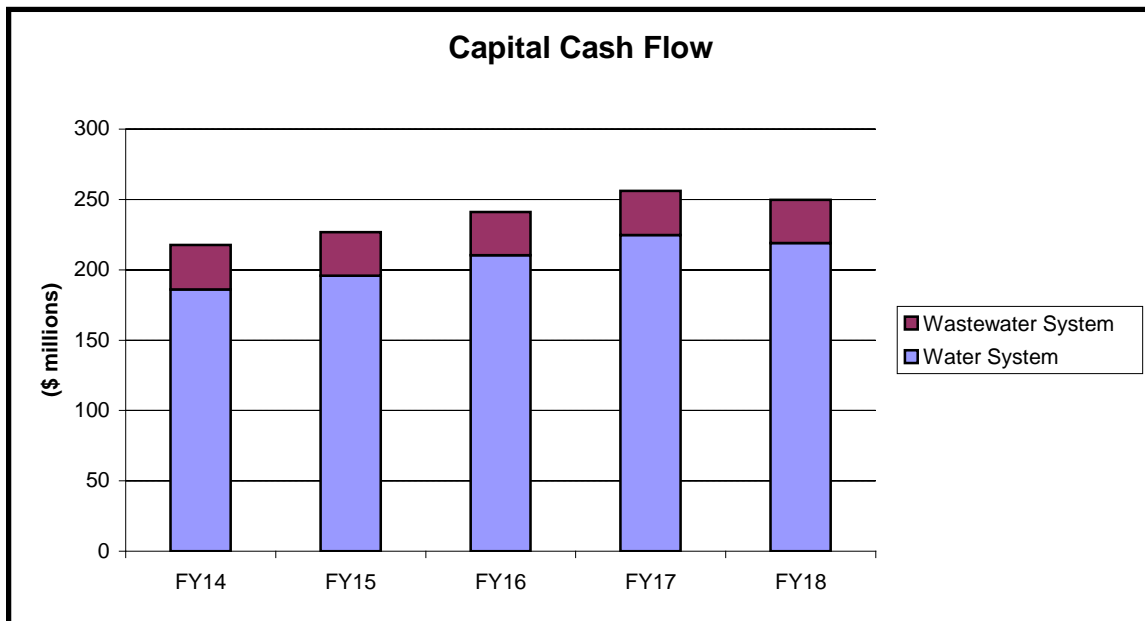
The following table presents the planned appropriations for the five-year CIP by strategy and fund. These amounts include project appropriations, plus administrative and general expenses. The total planned FY14-18 five-year appropriation is \$1.26 billion, which includes \$1.09 billion for the Water System and \$174 million for the Wastewater System.

<b>Capital Improvement Program Appropriations by Strategy within Fund</b>						
(\$ Millions)						
<b>CIP Strategy</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>Total</b>
Emergency Preparedness	0.0	0.0	0.0	0.0	0.0	0.0
Extensions/Improvements	27.5	30.9	24.9	79.2	63.2	225.7
Facilities, Services & Equip.	13.1	5.8	6.8	11.2	4.0	40.9
Maintaining Infrastructure	91.7	83.1	93.3	82.8	92.2	443.1
Regulatory Compliance	1.5	4.4	11.7	23.8	0.7	42.1
Resource Management	1.9	4.3	2.4	1.3	0.9	10.8
Water Quality	6.6	5.5	3.8	6.6	1.6	24.1
Water Supply	18.4	7.8	50.7	14.5	14.1	105.5
Non-Program Specific	5.1	8.2	3.0	3.0	3.0	22.3
Admin & General Expenses	<u>35.0</u>	<u>35.0</u>	<u>35.0</u>	<u>35.0</u>	<u>35.0</u>	<u>175.0</u>
<b>Total Water Fund</b>	<b>200.8</b>	<b>185.0</b>	<b>231.6</b>	<b>257.4</b>	<b>214.7</b>	<b>1,089.5</b>
Maintaining Infrastructure	22.2	42.3	22.1	11.0	34.5	132.1
Regulatory Compliance	1.0	0.0	2.0	11.0	2.5	16.5
Non-Program Specific	7.4	1.2	0.0	0.0	0.0	8.6
Admin & General Expenses	<u>3.3</u>	<u>3.3</u>	<u>3.3</u>	<u>3.3</u>	<u>3.3</u>	<u>16.5</u>
<b>Total Wastewater Fund</b>	<b>33.9</b>	<b>46.8</b>	<b>27.4</b>	<b>25.3</b>	<b>40.3</b>	<b>173.7</b>
<b>Total District</b>	<b>234.7</b>	<b>231.8</b>	<b>259.0</b>	<b>282.7</b>	<b>255.0</b>	<b>1,263.2</b>

## CAPITAL CASH FLOW

Cash flow represents the amount projected to be spent each fiscal year on projects in the CIP. The cash flow is used to determine the appropriations each project requires based on the timing of the cash flows and whether the project has any unspent appropriations that can be used. This information becomes the foundation for determining how the CIP will be funded.

The FY14 capital cash flow, including administrative and general expenses is \$186.1 million for the Water System and \$31.5 million for the Wastewater System, for a total of \$217.6 million. In FY15, the capital cash flow is \$195.9 million for the Water System and \$30.9 million for the Wastewater System, for a total of \$226.8 million.



## **STAFFING PLAN**

The District remains committed to operating at an optimal level while keeping rates reasonable for ratepayers. Maintaining the appropriate level of service for customers continues to be a high priority.

The staffing plan relates specifically to positions authorized by the Board. It includes positions that are not necessarily funded in the budget. The staffing plan balances departmental efforts to allocate human resources effectively through regular staffing assessments and adjustments. Departments look for opportunities to restructure the workload as employees retire or leave the District and continue to evaluate staffing plans based on operational need.

In FY14, no FTEs (full-time equivalent) will be added and 12.0 FTEs will be deleted compared to FY13 primarily due to the completion of several projects. The decrease includes 11 TC positions and one full-time position. One position will be converted from TC to regular in FY14.

In FY15, no FTEs will be added and 1.0 FTE will be eliminated due to project completion.

### **Water System**

In FY14, a majority of the deletions are attributed to the completion of capital project work. The FY14 staffing changes include:

- The deletion of 11 Temporary Construction (TC) positions due to the completion of the Customer Information System Project, Freeport and Folsom South Canal Connection (FSCC) projects, Mokelumne Aqueduct Temperature Anchor Upgrade project, and the San Pablo Dam Upgrade;
- The deletion of one vacant Regular Full-time Word Processing Specialist II position due to workload efficiencies resulting from technology improvements;
- The conversion of one TC Senior Construction Inspector position to Regular due to the baseline resource loading projection; and
- The removal of the flexibly staffed Special Assistant II classification with an Attorney I/II/III to be consistent with other job classifications within the department.

In FY15, the only staffing change is the deletion of one (TC) Survey Technician I/II due to the completion of the Mokelumne Aqueduct Interconnection Project.

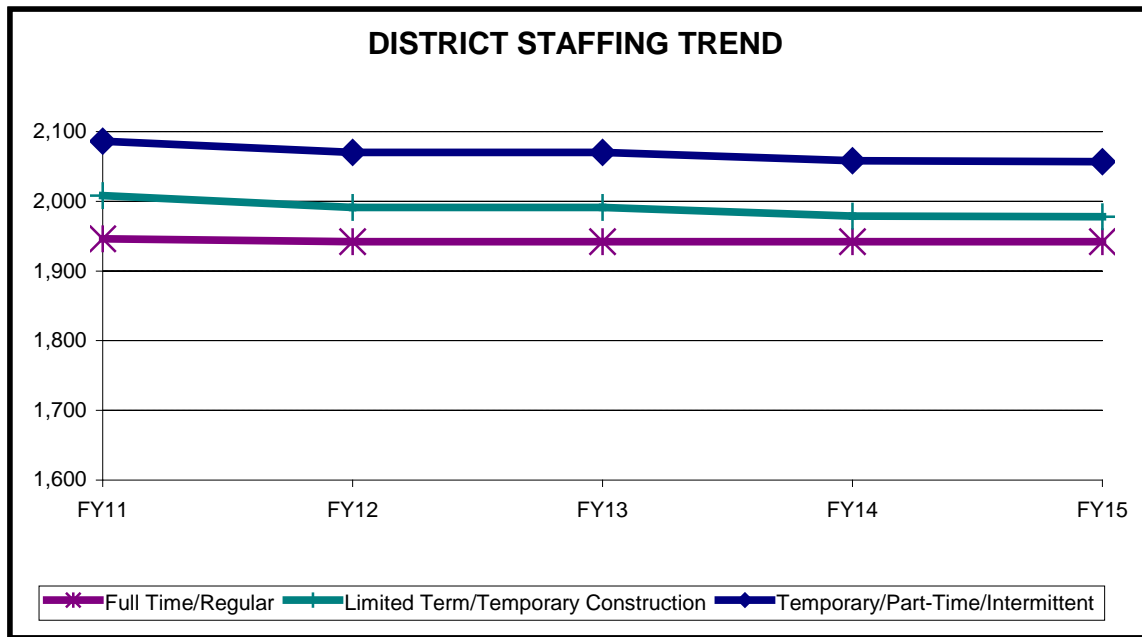
### **Wastewater System**

In FY14 and FY15, there are no staffing changes.

The chart and graph below show staffing for fiscal years FY11 through FY15. Staffing for FY11 through FY13 represents adopted annual staffing as amended by mid-year Board actions, transfers, and changes made under the General Manager's authority.

<b>DISTRICT STAFFING NUMBER OF POSITIONS FY11-15</b>					
<b>NUMBER OF POSITIONS</b>	<b>FY11 Amended</b>	<b>FY12 Amended</b>	<b>FY13 Amended</b>	<b>FY14</b>	<b>FY15</b>
Full Time/Regular	1,946	1,942	1,942	1,942	1,942
Limited Term/Temporary Construction	62	49	49	37	36
Temporary/Part-Time/Intermittent	<u>78</u>	<u>79</u>	<u>79</u>	<u>79</u>	<u>79</u>
<b>TOTAL POSITIONS</b>	<b>2,086</b>	<b>2,070</b>	<b>2,070</b>	<b>2,058</b>	<b>2,057</b>
Position change from previous FY	-7	-16	0	-12	-1
<b>TOTAL DISTRICT FTE*</b>	<b>2,048.00</b>	<b>2,031.50</b>	<b>2,031.50</b>	<b>2,019.50</b>	<b>2,018.50</b>
FTE change from previous FY	-7.0	-16.5	0.0	-12.0	-1.0

\*Full Time/Regular, Limited Term and Temporary Construction=1 FTE; Intermittent= .75 FTE; Temporary, Part-Time = .5 FTE



# **RATES, FEES AND CHARGES**

## **OVERVIEW**

An increase in Water and Wastewater rates and charges is necessary to provide funding for the FY14-15 operating and capital budgets. Rates and charges for water and wastewater services are used to cover operating costs, debt service requirements, and revenue funded construction projects.

## **WATER SYSTEM**

### **Water Revenue - Overview**

Based on the budget for FY14 and the projected level of consumption, revenue requirements for the Water System will be 2.7% lower in FY14 than those authorized for FY13. Revenue requirements for FY15 will be 9.1% higher than those authorized for FY14. This higher revenue level will enable the District to fund current operating requirements while maintaining a capital improvement program that will meet long-term customer needs and regulatory requirements.

### **Water Rates**

To meet the revenue requirements for FY14 and FY15, water rate increases of 9.75% and 9.5% have been adopted for FY14 and FY15, respectively. The rate increases will apply to the water service charge, flow charge, private fire service charge, elevation surcharge and the seismic improvement program surcharge.

The seismic improvement program surcharge, based on the size of a standard meter and the flat seismic surcharge for each single family residential and multi family residential account, will increase 9.75% for FY14 and 9.50% for FY15.

Details of rates and charges are included in the General Manager's Biennial Report on Rates and Charges filed with the Board of Directors on May 14, 2013.

For FY14, the average single family residential customer that uses 246 gallons per day will see an increase in the monthly water bill of \$3.96, or 9.8% as illustrated in the chart on the following page.

For FY15, the average single family residential customer that uses 246 gallons per day will see an increase in the monthly water bill of \$4.19 or 9.4%. Monthly water bills for other customers are also shown on the following chart.

**WATER SYSTEM  
CUSTOMER IMPACT - PROJECTED MONTHLY BILLS  
Based on Adopted Rate Increase**

Customer Class and Meter Size	Single Family Res - 5/8"	Multi-Family 1"	Comm'l 1"	Indus 2"
	Average District-Wide			
Gals per day	246	1230	1230	12,300
Billing units	10	50	50	500
% of Customers with usage at or below	64%	84%	82%	99%
Current \$	40.45	180.91	187.53	1,705.48
FY14 Adopted \$	44.41	198.63	205.73	1,870.89
Change \$	3.96	17.72	18.20	167.41
% Change	9.8%	9.8%	9.7%	9.7%
FY15 Adopted \$	48.60	217.54	225.08	2,046.68
Change \$	4.19	18.91	19.35	175.79
% Change	9.4%	9.5%	9.4%	9.4%

Below is a history of monthly water bills for average single family residential customers who use 10 Ccf (hundred cubic feet) per month:

**TEN-YEAR RESIDENTIAL WATER CHARGE HISTORY  
MONTHLY BILLS FOR 10 Ccf PER MONTH**

Fiscal Year	Monthly Bill (\$)	(\$) Change	% Increase
2006	27.01	0.93	3.6
2007	27.95	0.94	3.5
2008	29.32	1.37	4.9
2009	30.81	1.49	5.1
2010	33.47	2.66	8.6
2011	35.99	2.52	7.5
2012	38.15	2.16	6.0
2013	40.45	2.30	6.0
2014	44.41	3.96	9.8
2015	48.60	4.49	9.4



The following chart is a comparison of FY13 and FY14-15 rates for various elements.

**WATER SYSTEM  
RATE COMPARISON**

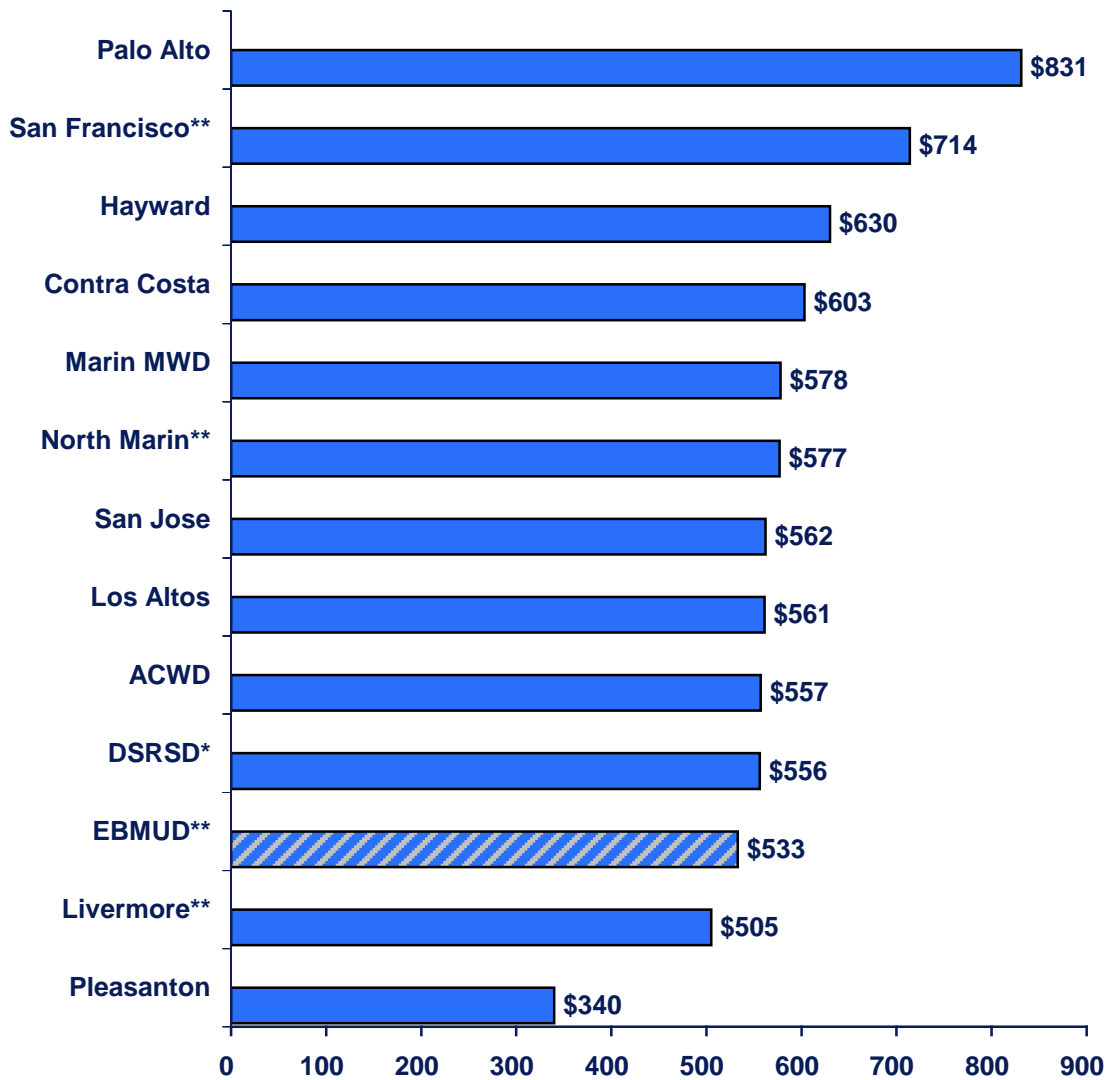
Rate element	FY13 Current (\$/Mo)	FY14 Adopted (\$/Mo)	% Change	FY15 Adopted (\$/Mo)	% Change
<b>Service charges</b>					
5/8" and 3/4" meters	12.23	13.42	9.7%	14.69	9.5%
2" meter	46.31	50.83	9.8%	55.66	9.5%
4" meter	129.07	141.65	9.7%	155.11	9.5%
18" meter	1,540.85	1,691.08	9.7%	1,851.73	9.5%
Seismic surcharge - 5/8", 3/4" meter	1.14	1.25	9.6%	1.37	9.6%
Seismic surcharge - 2" meter	9.17	10.06	9.7%	11.02	9.5%
Seismic surcharge - 4" meter	28.63	31.42	9.7%	34.40	9.5%
Seismic surcharge - 18" meter	360.75	395.92	9.7%	433.53	9.5%
<b>Seismic flat charges</b>					
Seismic surcharge - single family res	1.14	1.25	9.6%	1.37	9.6%
Seismic surcharge - multi-family	5.38	5.90	9.7%	6.46	9.5%
<b>Volume charges</b>					
Single family res - Tier 1	2.42	2.66	9.9%	2.91	9.4%
- Tier 2	3.00	3.29	9.7%	3.60	9.4%
- Tier 3	3.68	4.04	9.8%	4.42	9.4%
Multi family residential	3.06	3.36	9.8%	3.68	9.5%
Commercial/Industrial	3.17	3.48	9.8%	3.81	9.5%
Seismic surcharge - coml/indus	0.13	0.14	7.7%	0.15	7.1%
<b>Elevation charges</b>					
Elevation band 2 / Ccf	0.46	0.50	8.7%	0.55	10.0%
Elevation band 3 / Ccf	0.93	1.02	9.7%	1.12	9.8%

Volume charge breakpoints: Tier 1: up to 7 Ccf (172 gpd)  
Tier 2: up to 16 Ccf (393 gpd)  
Tier 3: over 16 Ccf (+393 gpd)

The following charts show comparisons of annual water bills for 10 Ccf and 20 Ccf for the District and other local water agencies for their proposed and adopted FY14 rates. The District is below the medium of these other agencies.

### COMPARATIVE RESIDENTIAL WATER CHARGES

Annual Charges for 10 CCF/Mo – June 2013

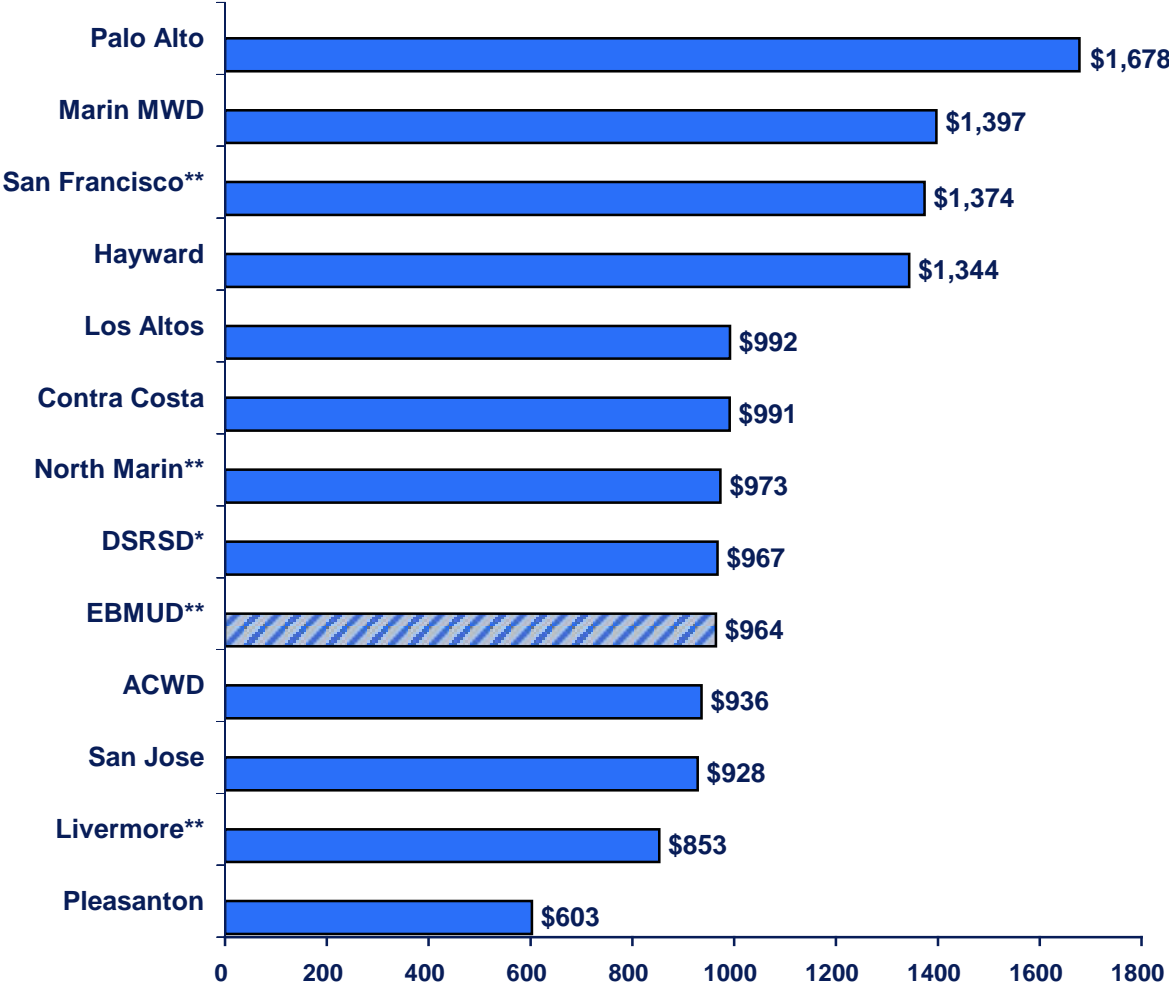


\* Proposed FY14 rates

\*\* Adopted FY14 rates

# COMPARATIVE RESIDENTIAL WATER CHARGES

## Annual Charges for 20 CCF/Mo – June 2013



\* Proposed FY14 rates

\*\* Adopted FY14 rates

## **System Capacity Charges**

The System Capacity Charge (SCC) was first established in 1983 as a means of assessing new water customers an appropriate share of the costs of water distribution capital improvements within the SCC regions of the District. An appropriate share of the costs of water supply improvements was added to the SCC in 1986.

All applicants for water service are required to pay the SCC when the installation of a new service or upsizing of an existing connection is needed. The SCC is applied on a regional basis (See Exhibit 1 for map), and the SCC charge is updated annually to reflect increased cost estimates for facilities yet to be constructed and financing or construction cost escalation for facilities that have already been built.

In FY08, the Board adopted the recommendations of the SCC Study performed by Bartle Wells Associates. The SCC charge consists of three components:

1. System-wide Buy-In Component for existing facilities that serve the system as a whole;
2. Regional Buy-in Component for existing facilities that serve one of the three SCC Regions (notably treatment plant and distribution facilities); and
3. Future Water Supply (FWS) Component consisting of the costs of future water supply projects that are allocated to new connections.

The Standard Participation Charge (SPC), a District-wide charge that is applicable to only a few remaining contracts for service entered into prior to 1983, was first established in 1978. The SPC was designed to recover the District-wide average cost of distribution facilities constructed to serve new connections and was superseded by the SCC in 1983. A FWS Component was added to the SPC in 1986. The SPC charge includes the latest Water Supply Management Plan costs and will continue to be less than the SCC charge in most regions. Customers eligible for service under the SPC regulations can pay for service under the more favorable of either of the SPC or SCC terms and conditions.

For FY14, the SCC was adjusted for an additional year of the Engineering News Record Construction Cost index escalation to reflect increasing costs to reproduce existing plant assets needed to serve prospective customers. The Future Water Supply Component was also updated for FY14.

### Adopted SCC Rate Increases

The adopted SCC rates are shown in Table 1 for a 3/4" meter for single-family residential and 5/8" non-residential customers. These meter connections account for the majority of all future water service connections. Larger meters pay proportionately more based on the estimated usage of the new connections. Non-residential connections pay more in some regions due to higher consumption.

Table 1 – Current and Adopted SCC (3/4” SFR and 5/8” Non-Residential)						
CURRENT FY13			ADOPTED FY14		For Single Family Residential	
Region	Single Family	Non-Residential	Single Family	Non-Residential	Increase	% Increase
1	\$15,020	\$21,890	\$15,580	\$22,260	\$560	3.7%
2	25,970	38,740	26,950	40,050	980	3.8
3	33,220	36,660	34,460	37,140	1,240	3.7
3C	77,810	See Note 1	77,870	See Note 1	60	0.1
3D	86,160	86,160	87,770	87,770	1,610	1.9

Note 1: Calculated based on a 1993 Agreement with HCV & Associates Ltd., Wiedemann Ranch, Inc., and Sue Christensen.

The SCC charges listed in Table 1 are based on unit charges for each region as shown in Table 2 for:

1. System-wide Buy-in Component of \$1,857 per 100 gpd of consumption for each region;
2. Regional Buy-in Component that varies by region; and
3. FWS Component of \$1,845 per 100 gpd of consumption for each region. The FWS Component for Region 3C is \$569 per 100 gpd based on the 1993 Agreement with HCV & Associates Ltd., Wiedemann Ranch, Inc. and Sue Christensen.

Table 2 - Adopted FY14 Unit Charges \$/100 gpd					
Region	System-Wide Buy-In	Regional Buy-In	Post 2000	Future Water Supply	Total
Region 1	\$1,857	\$1,864		\$1,845	\$5,566
Region 2	\$1,857	\$3,784		\$1,845	\$7,486
Region 3	\$1,857	\$2,240		\$1,845	\$5,942
Region 3C	\$1,857	\$1,681	\$5,942	\$569*	\$10,049
Region 3D	\$1,857	\$1,681	\$5,942	\$1,845	\$11,325

The SCC charge for each region is derived from the sum of the unit charges of each of the SCC components and then multiplied by the estimated average daily water consumption in that SCC region as listed in Table 3. Because of the large numbers of SCCs processed each year, the District has determined average daily water consumption values for non-residential service meters up through 2 inches and single-family service connections up through 1.5 inches within each SCC region, and established SCC charges based on those averages. For larger meter sizes, the SCC charge is determined using the same methodology as for smaller meters but calculated on a case

by case basis from the unit charges of the three SCC components and multiplied by the estimated required demand of the requested service installation.

Table 3 – SCC Water Consumption		
REGION	per SFR Connection (gpd)	per Non Res Connection (gpd)
Region 1	280	400
Region 2	360	535
Region 3	580	625

Applicants for non-potable water service have their SCC charge calculated based solely on the FWS Component, as the required capacity is provided through a separate non-potable water system.

The SCC for the two remaining special regions retains the costs of the additional facilities that were built to serve new connections in the region. Costs associated with these facilities are being referred to in Table 2 as the “Post-2000” unit charge.

See the Biennial Report and Recommendation of the General Manager Fiscal Year 2014 - 2015 for additional details.

### East Bay Municipal Utility District Distribution System SCC Regions



## WASTEWATER SYSTEM

### Wastewater Charges

In order to generate the required revenue, the FY14 increase for Wastewater Treatment charges is 9.0%. The average single family residential customer that discharges 6.0 Ccf per month will see a monthly wastewater treatment charge increase of 8.0%, from \$16.28 to \$17.59. For FY14, the SF Bay Residential Pollution Program Fee collected on the water service bill will remain \$0.20 per month. When combined with the treatment charge increase, the total residential wastewater bill increase will be 7.9% from \$16.48 to \$17.79 per month. Details of the rates and charges are included in the General Manager's Report on Rates and Charges filed with the Board of Directors on May 14, 2013. The charge for commercial and industrial customers will increase by 9.0% based on increases to the unit rates; actual treatment rates are rounded to the whole cent. For FY14, the Wet Weather Facilities charge collected on the property tax bill will increase 9.0% from \$75.54 per year to \$82.34 for residential customers and from \$113.30 to \$123.50 for non-residential customers.

The FY15 increase for Wastewater Treatment charges is 8.5%. The average single family residential customer that discharges 6.0 Ccf per month will see a monthly wastewater treatment charge increase of 8.3% from \$17.59 to \$19.05. For FY15, the SF Bay Residential Pollution Program Fee collected on the water service bill will remain \$0.20 per month. When combined with the treatment charge increase, the total residential wastewater bill increase will be 8.2% from \$17.79 to \$19.25. The charge for commercial and industrial customers will increase by 8.5% based on increases to the unit rates; actual treatment rates are rounded to the whole cent. For FY15, the Wet Weather Facilities charge collected on the property tax bill will increase 8.5% from \$82.34 per year to \$89.34 for residential customers and from \$123.50 to \$134.00 for non-residential customers.

### WASTEWATER SYSTEM RESIDENTIAL CUSTOMER IMPACT PROJECTED MONTHLY BILLS Charges Collected on the Water Service Bill Based on Adopted Rates

	Single Family Wastewater Treatment Charge (incl. SF Bay Residential Pollution Prevention Fee)
Current \$	16.48
FY14 Adopted \$	17.79
Change \$	1.31
% Change	7.9%
FY15 Adopted \$	19.25
Change \$	1.46
% Change	8.2%



Below is a history of annual total wastewater charges (treatment, wet weather, and pollution prevention) for an average single family residential customer:

**WASTEWATER SYSTEM  
TEN-YEAR RESIDENTIAL SEWER CHARGE HISTORY  
TOTAL ANNUAL CHARGES**

(incl. treatment charge, Wet Weather Facilities Charge\*, and SF Bay Residential Pollution Prevention Fee)

Fiscal Year	Total Annual Wastewater Charge (\$)	Increase
2006	200.76	3.2%
2007	206.36	2.8%
2008	213.38	3.4%
2009	221.68	3.9%
2010	231.89	4.6%
2011	243.48	5.0%
2012	258.01	6.0%
2013	273.30	5.9%
2014	295.82	8.2%
2015	320.34	8.3%

\*Wet Weather Facilities Charge collected on the property tax bill

The following chart contains the treatment charge rate elements, calculated on 1/10 of a cent charge. Actual treatment rates for commercial and industrial customers are rounded to the whole cent.

**WASTEWATER SYSTEM  
TREATMENT RATE COMPARISON**

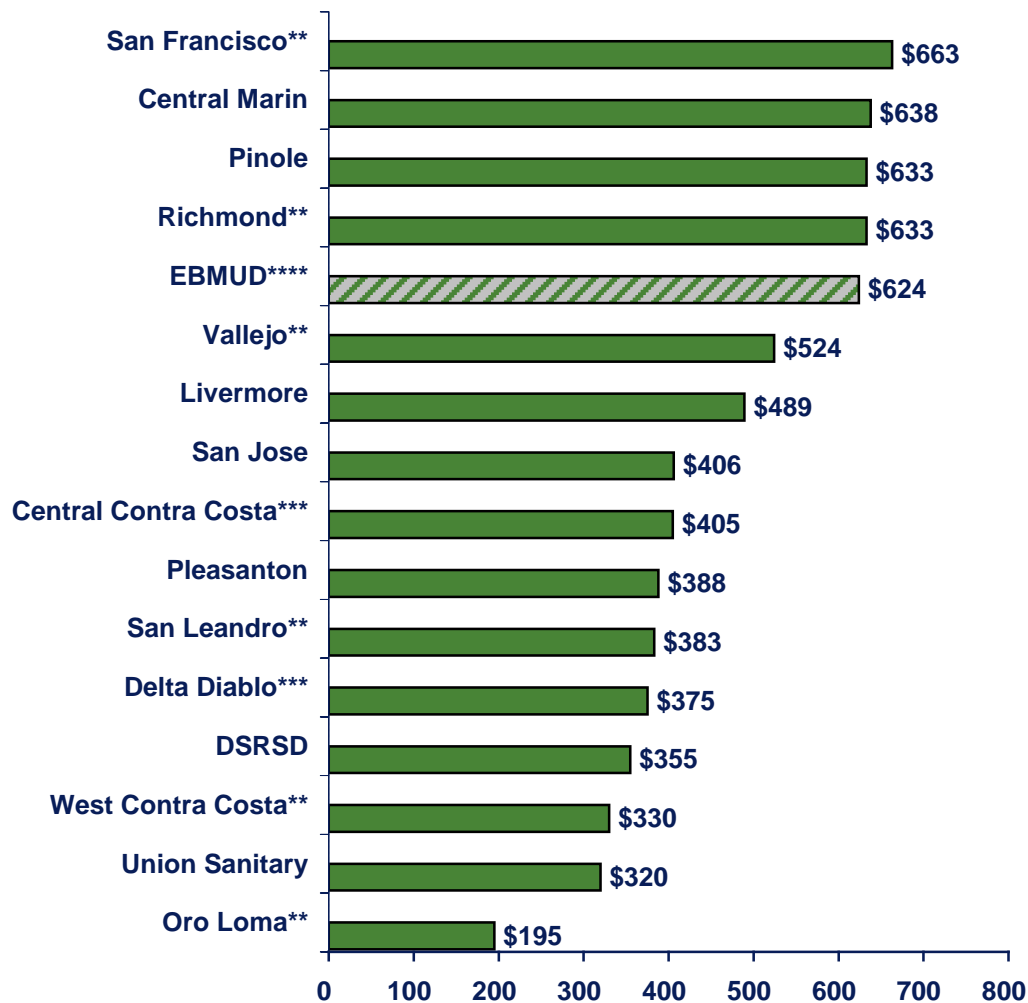
Rate element	FY13 Current (\$)	FY14 Adopted (\$)	% Change	FY15 Adopted (\$)	% Change
Charge per Ccf of flow	0.663	0.735	10.9%	0.787	7.1%
Charge per pound of discharge – CODf	0.241	0.268	11.2%	0.294	9.7%
Charge per pound of total suspended solids	0.372	0.396	6.5%	0.431	8.8%
Monthly service charge	6.19	6.58	6.3%	7.13	8.4%
Strength charge per residential dwelling unit*	6.11	6.60	8.0%	7.20	9.1%

\*Based on standard strength of 7.94 lbs of CODf and 11.29 lbs of suspended solids per month

The chart below is a comparison of the average annual residential wastewater bill for EBMUD and other local communities. EBMUD provides only a part of the total wastewater service in its operating area; local agencies provide sewage service from the customer to the EBMUD interceptor. The total annual charge varies by community according to the level of local agency charges. EBMUD's FY14 Wastewater charges for the average single family residential customers is \$296 annually, which includes treatment charges on the water bill of \$214 and the Wet Weather Facilities Charge on the property tax bill of \$82.

## COMPARATIVE RESIDENTIAL WASTEWATER CHARGES

**Annual Charges\* – June 2013**



\* Includes Collection and Treatment

\*\* Adopted FY14 Rates

\*\*\* Proposed FY14 Rates

\*\*\*\*EBMUD rate based on adopted FY14 Treatment rate, SF Bay Residential Pollution Prevention Fee, and Wet Weather Fee, \$296/year plus average community collection charge of \$328/year.

## CHAPTER 3: WATER SYSTEM

### INTRODUCTION AND FUND SUMMARY

The Water System Fund is an enterprise fund consisting of an operating and a capital budget. The function of the Water System is the collection, transmission, and distribution of water to communities within Alameda and Contra Costa counties in California. In addition, the Water System provides administrative, financial, and other support services to the Wastewater System. These costs are charged to the Wastewater System. The General Manager's approval is required for the reallocation of funds between the operating and capital programs.

This chapter is organized into the following sections:

- Pages 61 - 134      A detailed description of the two years of this budget cycle including revenues and expenditures for the operating and capital programs, and a description of debt financing. This section also includes detailed Department budgets.
- Pages 135 - 141      A five-year-forecast of the Water System projected revenues and expenditures for the operating and capital programs, and debt financing.

The following are key projections and assumptions that went into the making of the FY14 and FY15 budget.

<b>WATER SYSTEM FUND – KEY ASSUMPTIONS</b>		
(\$ Millions)		
	<b>FY14</b>	<b>FY15</b>
Projected Sales Volume (mgd)	164.0	166.0
% Rate Increase	9.75%	9.50%
Average Monthly Single Family Residential Bill (\$) Based on 10 ccf/month	\$44.41	\$48.60

The following table shows the fund balance, and projected revenues and expenditures for the Water System for FY14 and FY15.

<b>Water System Fund Summary</b>						
<b>Including Operating and Capital Budgets</b>						
<b>(\$ Millions)</b>						
	<b>FY14</b>			<b>FY15</b>		
	Operating	Capital	Fund Balance (Total)	Operating	Capital	Fund Balance (Total)
<b>Fund Balance at Beginning of FY (Projected)</b>	<b>240.2</b>	<b>18.4</b>	<b>258.6</b>	<b>244.8</b>	<b>94.0</b>	<b>338.8</b>
<b>Sources of Funds</b>						
<b>Operating Revenues</b>						
Water Charges	354.0		354.0	391.8		391.8
Seismic Surcharges	22.4		22.4	24.6		24.6
Property Taxes	23.4		23.4	23.8		23.8
Power Sales	5.7		5.7	5.7		5.7
Interest Income	2.3		2.3	4.0		4.0
SCC Revenue	23.7		23.7	23.3		23.3
Reimbursements	10.5		10.5	10.5		10.5
All Other Revenue	<u>16.3</u>		<u>16.3</u>	<u>16.5</u>		<u>16.5</u>
<b>Total Operating Revenues</b>	<b>458.3</b>		<b>458.3</b>	<b>500.2</b>		<b>500.2</b>
<b>Capital Funding Sources</b>						
Commercial Paper Issues		0.0	0.0		0.0	0.0
New Bond Issues		175.0	175.0		0.0	0.0
Grants and Loans Proceeds		0.9	0.9		0.9	0.9
Reimbursements		16.4	16.4		15.5	15.5
Revenue Funded Capital	<u>-69.4</u>	<u>69.4</u>	<u>0.0</u>	<u>-85.6</u>	<u>85.6</u>	<u>0.0</u>
<b>Total Capital Revenues</b>	<b>-69.4</b>	<b>261.7</b>	<b>192.3</b>	<b>-85.6</b>	<b>102.0</b>	<b>16.4</b>
<b>Total Funds</b>	<b>388.9</b>	<b>261.7</b>	<b>650.6</b>	<b>414.6</b>	<b>102.0</b>	<b>516.6</b>
<b>Expenditures</b>						
Operating Budget	236.9		236.9	246.9		246.9
Debt Service	147.4		147.4	163.2		163.2
Capital Cash Flow (includes Admin & Gen)		<u>186.1</u>	<u>186.1</u>		<u>195.9</u>	<u>195.9</u>
<b>Total Expenditures</b>	<b>384.3</b>	<b>186.1</b>	<b>570.4</b>	<b>410.1</b>	<b>195.9</b>	<b>606.0</b>
<b>Ending Balance *</b>	<b>244.8</b>	<b>94.0</b>	<b>338.8</b>	<b>249.3</b>	<b>0.1</b>	<b>249.4</b>

\* Includes reserves for working capital, self-insurance, worker's compensation, contingency and rate stabilization, and for capital projects

## FY 2014 AND FY 2015 BUDGET

### SOURCES OF FUNDS

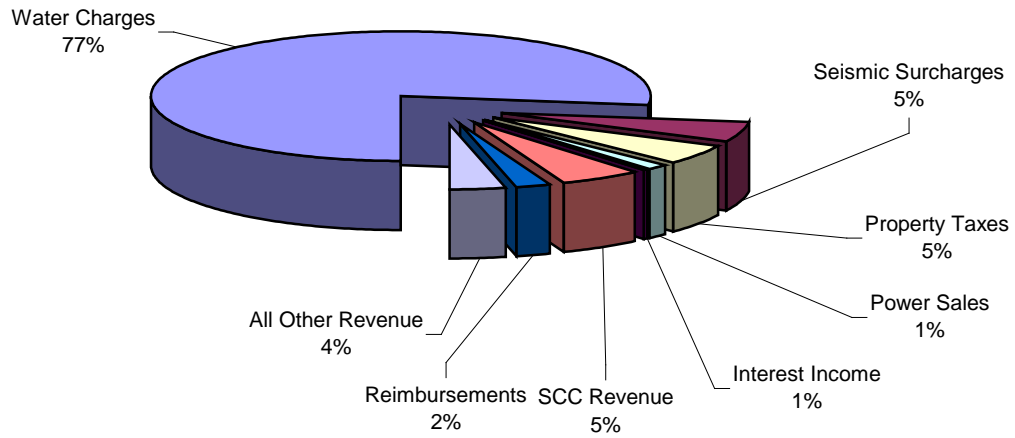
<b>TOTAL SOURCES OF FY14-15 FUNDS</b>			
(\$ Millions)			
	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>
<b>Operating Revenues:</b>			
Water Charges	342.0	354.0	391.8
Seismic Surcharges	19.9	22.4	24.6
Property Taxes	23.8	23.4	23.8
Power Sales	5.7	5.7	5.7
Interest Income	12.4	2.3	4.0
SCC Revenue	40.1	23.7	23.3
Reimbursements	6.5	10.5	10.5
All Other Revenue	<u>20.6</u>	<u>16.3</u>	<u>16.5</u>
<b>Total Operating Revenues</b>	<b>471.0</b>	<b>458.3</b>	<b>500.2</b>
Revenue Funded Capital	<b>-117.3</b>	<b>-69.4</b>	<b>-85.6</b>
<b>Capital Funding Sources:</b>			
Revenue Funded Capital	117.3	69.4	85.6
Commercial Paper Issues	0	0.0	0
New Bond Issues	0	175.0	0
Grants and Loans Proceeds	2.6	0.9	0.9
Reimbursements	<u>20.3</u>	<u>16.4</u>	<u>15.5</u>
<b>Total Capital Funding Sources</b>	<b>140.2</b>	<b>261.7</b>	<b>102.0</b>
<b>Total Water Sources</b>	<b>493.9</b>	<b>650.6</b>	<b>516.6</b>

### Operating Revenue

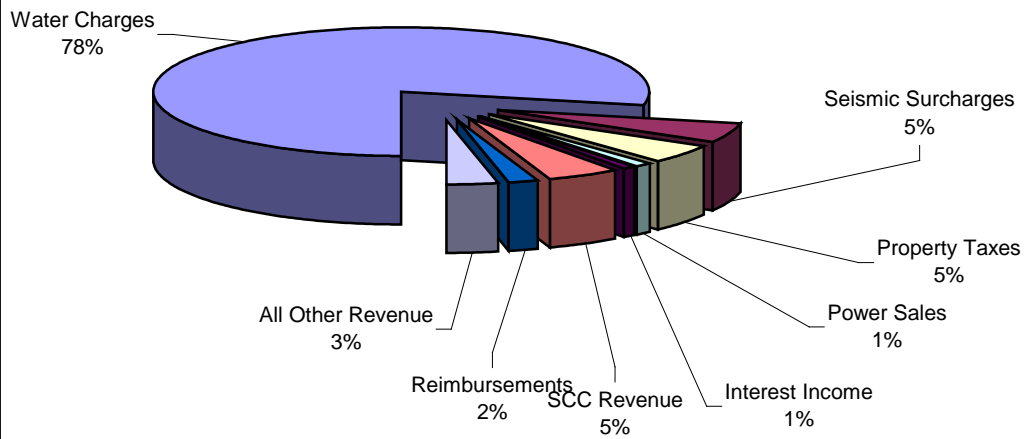
Water System operating revenues for FY14 are projected to decrease overall by \$12.7 million, or 2.7% compared to the amount budgeted for FY13 for a total of \$458.3 million. Reduced customer demand combined with the poor economy has resulted in less consumption than budgeted in FY13. The 9.75% increase in water rates will increase water charges revenue by \$12 million over the FY13 budgeted revenue. Seismic surcharge revenue in FY14 is projected to increase \$2.5 million from the FY13 budgeted amount. The increase in the water and seismic revenue over the FY13 budget is offset by projected reductions in the SCC revenues of \$16.4 million due to a drop in new connections and depletion of the Future Water Supply Fund and interest income by \$10.1 million due to the drop in interest rates. The FY14 property tax revenues are projected to be \$0.4 million or 2.9% less than the FY13 budgeted amount.

In FY15, Water System revenues are projected to increase by \$41.9 million, or 9.1% for a total of \$500.2 million. This increase is comprised primarily of \$37.8 million from water charges from a 9.50% water rate increase, and \$1.7 million in slightly higher interest income.

### FY14 Water System Operating Revenue (Total = \$458.3 million)



### FY15 Water System Operating Revenue (Total = \$500.2 million)



## Operating Revenue Source Descriptions

### Water Charges

Water charges consist of a monthly service charge, a volume charge for the amount of water used and an elevation charge for those customers located at higher elevations that require pumping and additional storage facilities. The monthly service, volume charges and elevation charge will increase by 9.75% in FY14 and an additional 9.50% in FY15.

FY14 Revenue (\$ Millions)			FY15 Revenue (\$ Millions)		
	Amount	% of Total		Amount	% of Total
Monthly Service Charge	82.8	23.4	Monthly Service Charge	90.9	23.2
Volume Charge	252.2	71.2	Volume Charge	279.9	71.4
Elevation Charge	19	5.4	Elevation Charge	21	5.4
<b>Total</b>	<b>354.0</b>	<b>100.0</b>	<b>Total</b>	<b>391.8</b>	<b>100.0</b>

FY14 water charges are projected to increase by \$12.0 million, for a total of \$354.0 million, or 3.5% over the FY13 budgeted revenue of \$342.0 million, due to reduced customer demand and the 9.75% rate increase. FY15 water charges are projected to increase by \$37.8 million, for a total of \$391.8 million, or 10.7% over the FY14 projected water charges revenue.

### Seismic Surcharge

The Board of Directors adopted a surcharge to finance the Seismic Improvement Program (SIP) in March 1996. Revenues from the seismic surcharge are projected to be \$22.4 million for FY14, which is a 12.6% increase from FY13, and \$24.6 million for FY15, which is a 9.8% increase from FY14.

### Property Taxes

The District receives a portion of the 1% county tax levy on properties within District boundaries. The percentage of the county levy received varies, depending on the number of other agencies participating in the distribution. The District share averages about 1.25% of the total monies collected. For FY14, property tax revenue of \$23.4 million is based upon FY12 actual property tax receipts. Revenues for FY15 are \$23.8 million or a 1.7% increase over FY14.

### Power Sales

The District operates power generation facilities at the Pardee and Camanche Dams. For FY14 and FY15, projected as years of normal precipitation, the District expects to earn approximately \$5.7 million for each year, primarily from sales of power to other agencies.

### Interest Income

The District places funds not needed for current expenditures in short-term investments made in accordance with the District's investment policy and may include money market funds, commercial paper, medium term corporate notes, bankers' acceptances and short-term U.S. Government securities. Interest earned on these funds in FY14 is projected to be \$2.3 million, a \$10.1 million decrease from FY13 due to significantly lower interest rates than assumed for the FY13 budget. For FY15 interest income is projected to be \$4.0 million, a \$1.7 million increase from FY14 due to slightly higher projected interest rates.

### SCC Revenue

System Capacity Charges (SCC) are collections from customers requesting new water service. The charges are designed to recover costs of facilities necessary to serve new customers.

These costs include distribution facilities, treatment facilities, facilities that serve the system as a whole such as Pardee and Camanche Reservoirs, terminal storage reservoirs, administrative facilities, and a portion of the costs of supplemental water supply. The purpose of the SCC is to assure that existing customers do not bear the cost of customer growth and that new customers pay for their appropriate share of the existing water system facilities. Funds collected from the SCC are held either in dedicated reserves or accounted for as a capital contribution from developers. Funds held in the dedicated reserve account are used to pay the debt service for the bonds issued to build supplemental water supply projects.

SCC revenue for FY14 is projected at \$23.7 million which is a \$16.4 million decrease from the amount budgeted for FY13. This decrease is based on projected SCC collections which are significantly lower than the assumptions made in the FY13 budget. In addition, by FY14 there will be no funds remaining in the Future Water Supply Fund that was previously used to help reimburse debt service for the recently completed Freeport and Folsom South Canal Supplemental Water Supply project.

### **Reimbursements**

The Water System receives reimbursement for services provided to other agencies. The Wastewater System reimburses the Water System for administrative costs, space rental in the Administration building and for providing billing and collection services. The Water System also receives reimbursements from several cities for providing billing and collection services for the cities' sewer charges. Total reimbursements for FY14 and FY15 are projected at \$10.5 million for each year, which is the same as the amount that was collected in FY12.

### **All Other Revenue**

Included in this category are receipts from property sales, rental of District properties, fees for use of District recreational lands and facilities, insurance and property damage reimbursements, sales of surplus District equipment and vehicles, sales of District publications, reimbursements from the US Treasury under the Build America Bond program (BABs), reimbursement of operating expenses from start up of the RARE project and other miscellaneous revenues. All other revenues are projected at \$16.3 million for FY14 and \$16.5 million for FY15.



## **Capital Funding**

The FY14 and FY15 capital improvement program will be funded with bond proceeds, water revenues, reimbursements and grants. It is anticipated that the District will issue \$175 million in new revenue bonds in FY14. Combined with revenue funded capital of \$69.4 million in FY14 and \$85.6 million in FY15, the District will be able to fund the capital program without transferring funds from its operating budget reserves.

Please refer to the section on debt financing for additional details on debt funding of capital projects.

## **Capital Funding Source Descriptions**

### **New Bond Issues**

The District has the ability to issue long-term bonds to fund its capital program. The proceeds of the bond sales can be used to pay for capital expenses over several years. The repayment of the bonds is generally over 30 years and is paid from water rate revenues.

### **Commercial Paper Issues**

In addition to issuing long-term bonds to fund its capital program, the District has used short-term borrowing in the form of commercial paper to raise revenues for capital expenses. The term of commercial paper can be up to 270 days. The repayment of commercial paper is paid from water rate revenues.

### **Grants and Loans Proceeds**

The District seeks out federal and state grants and low-interest loans to fund some of its capital projects when they meet the conditions of the grant and loan programs.

### **Reimbursements**

Some of the capital projects in the Water System are done at the request of other agencies, and the District is reimbursed for its expenses. An example would be the relocation of a water main at the request of a city or state agency. Also, work to expand the distribution system to meet new connections that is not covered by the System Capacity Charge is paid directly by the applicants.

### **Revenue Funded Capital**

Annual capital expenses that are not paid from debt funding, grants, loans or reimbursements must be paid from revenues, either from current year revenues or from reserves.

## EXPENDITURES SUMMARY

<b>TOTAL FY14-15 EXPENDITURES</b>			
(\$ Millions)			
	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>
<b>Expenditures</b>			
Operating Budget	226.9	236.9	246.9
Debt service	168.3	147.4	163.2
Capital Cash Flow (includes Admin & Gen)	<u>181.6</u>	<u>186.1</u>	<u>195.9</u>
<b>Total Expenditures</b>	<b>576.8</b>	<b>570.4</b>	<b>606.0</b>

The Water System has two types of expenditures:

**Operating expenses** include two components: the annual costs of providing all water services, and debt service for the repayment of bonds for making capital investments in the water system.

**Capital expenses** pay the annual costs of the Capital Improvement Program for long-term projects to upgrade aging infrastructure, make seismic improvements, protect natural resources, provide high quality water and ensure a future water supply.

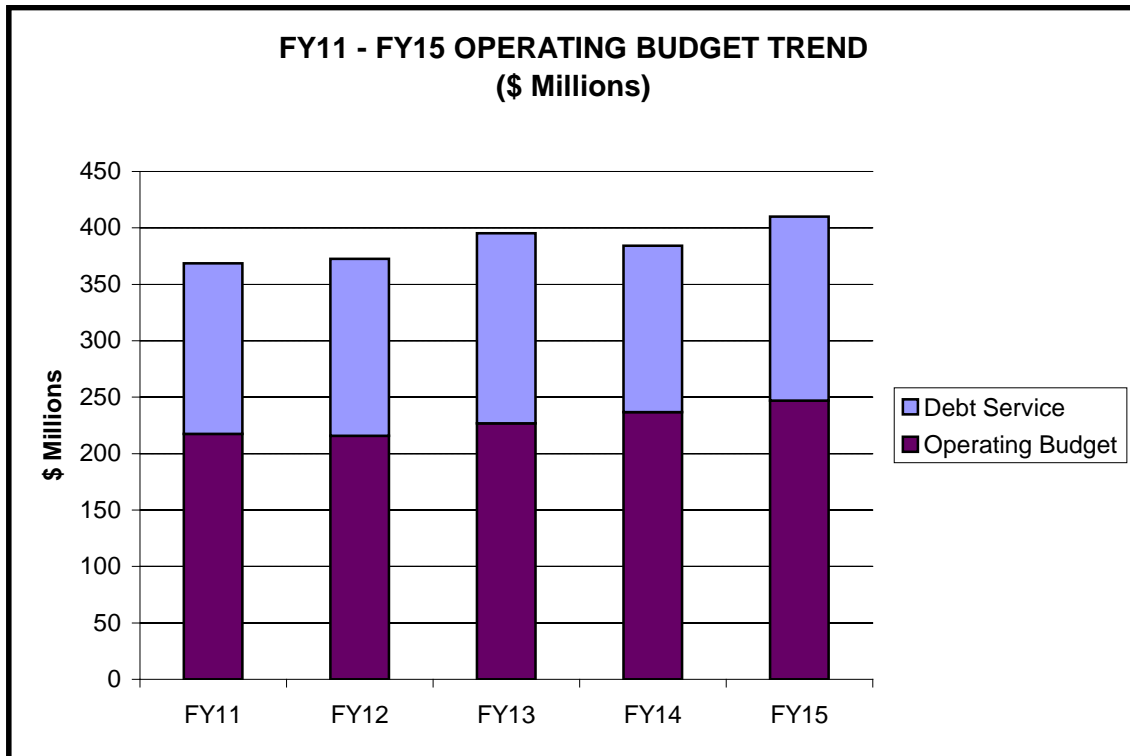
## OPERATING EXPENDITURES

### Operating Budget Overview

During the period FY11 through FY15, the Water System total operating budget increases an average of 3.2% annually.

Total operating expenditures are decreasing in FY14 by \$10.9 million or 2.8% over the FY13 amended budget. Operating expenditures are increasing in FY15 by \$25.8 million or 6.7% compared to FY14.

Description	FY11 Amended Budget	FY12 Amended Budget	FY13 Amended Budget	FY14 Adopted Budget	FY14 vs FY13 % change	FY15 Adopted Budget	FY15 vs FY14 % change
<b>Operating Budget</b>	217.5	215.8	226.9	236.9	4.4%	246.9	4.2%
<b>Debt Service</b>	<u>151.0</u>	<u>156.7</u>	<u>168.3</u>	<u>147.4</u>	-12.4%	<u>163.2</u>	10.7%
<b>Total Operating</b>	368.5	372.5	395.2	384.3	-2.8%	410.1	6.7%



The FY14 total operating budget for the Water System is decreasing by \$10.9 million or 2.8% less than the FY13 amended budget. In FY13, the District implemented budget reduction strategies to significantly restructure the outstanding debt which will temporarily reduce debt service expenditures in FY13 – FY15. Debt service is decreasing \$20.9 million or 12.4% over the prior fiscal period. The decrease is offset by an increase of \$10.0 million in the operating budget primarily due to labor-related costs for adding resources in priority areas and an

increase in the cost for health care and retirement, and budgeting for self-insured liability claims consistent with prior years' spending.

In FY15, the total operating budget will increase \$25.8 million or 6.7% over the FY14 budget. Of this increase, debt service represents \$15.8 million over FY14. The remaining \$10.0 million is due to increases for labor-related costs such as health care and retirement plus operational expenditures such as energy.

The following table presents the total FY14-15 Water System operating budget by department.

DEPARTMENTS (\$000's)	FY13 Amended Budget	FY14 Adopted Budget	Budget % Change	FY15 Adopted Budget	Budget % Change
Operations & Maintenance Support	16,939	17,802	5.1%	18,155	2.0%
Maintenance and Construction	75,972	80,672	6.2%	82,665	2.5%
Water Operations	50,613	50,189	-0.8%	51,985	3.6%
Water Resources	6,585	7,339	11.5%	7,085	-3.5%
Natural Resources	13,841	13,648	-1.4%	14,052	3.0%
Engineering and Construction	15,118	15,401	1.9%	15,622	1.4%
Office of the General Manager	5,551	5,119	-7.8%	5,594	9.3%
Finance	22,605	24,155	6.9%	24,420	1.1%
Information Systems	24,646	23,209	-5.8%	22,205	-4.3%
Customer and Community Services	14,649	13,335	-9.0%	13,713	2.8%
Administration	6,126	5,748	-6.2%	5,848	1.7%
Human Resources	8,195	8,120	-0.9%	8,295	2.2%
Office of the General Counsel	4,466	4,482	0.4%	4,627	3.2%
Water Recycling Program	4,763	4,659	-2.2%	4,741	1.8%
<b>Subtotal Staffed Departments</b>	<b>270,069</b>	<b>273,878</b>	<b>1.4%</b>	<b>279,007</b>	<b>1.9%</b>
Contingency	3,068	8,997		14,193	
Intradistrict	(11,187)	(11,000)	-1.7%	(11,270)	2.5%
<b>Net Department Expense</b>	<b>261,950</b>	<b>271,875</b>	<b>3.8%</b>	<b>281,930</b>	<b>3.7%</b>
Less: Administration of Capital	(35,000)	(35,000)	0.0%	(35,000)	0.0%
<b>Subtotal Operating Budget</b>	<b>226,950</b>	<b>236,875</b>	<b>4.4%</b>	<b>246,930</b>	<b>4.2%</b>
Plus: Debt Service	168,301	147,463	-12.4%	163,213	10.7%
<b>TOTAL OPERATING BUDGET</b>	<b>395,251</b>	<b>384,338</b>	<b>-2.8%</b>	<b>410,143</b>	<b>6.7%</b>

The chart below illustrates each department's operating budget by category. It does not include capitalized labor.

<b>FY14-15 DEPARTMENT OPERATING BUDGET BY CATEGORIES</b>								
<b>(\$000's)</b>								
	<b>FY14</b>				<b>FY15</b>			
<b>Department</b>	<b>Labor Costs</b>	<b>Contract Services</b>	<b>All Other Costs</b>	<b>Total Budget</b>	<b>Labor Costs</b>	<b>Contract Services</b>	<b>All Other Costs</b>	<b>Total Budget</b>
Operations & Maintenance	9,679	3,060	5,063	<b>17,802</b>	9,884	3,124	5,147	<b>18,155</b>
Maintenance & Construction	58,413	2,220	20,039	<b>80,672</b>	59,923	2,232	20,510	<b>82,665</b>
Water Operations	27,023	852	22,314	<b>50,189</b>	27,584	830	23,571	<b>51,985</b>
Water Resources	5,644	757	938	<b>7,339</b>	6,005	147	933	<b>7,085</b>
Natural Resources	8,302	2,636	2,710	<b>13,648</b>	8,570	2,719	2,763	<b>14,052</b>
Engineering & Construction	14,473	83	845	<b>15,401</b>	14,702	83	837	<b>15,622</b>
Office of General Manager	4,282	266	571	<b>5,119</b>	4,355	169	1,070	<b>5,594</b>
Finance	13,573	1,306	9,276	<b>24,155</b>	13,831	1,325	9,264	<b>24,420</b>
Information Systems	15,886	1,091	6,232	<b>23,209</b>	16,404	681	5,120	<b>22,205</b>
Customer Services	11,120	421	1,794	<b>13,335</b>	11,286	261	2,166	<b>13,713</b>
Administration	4,220	205	1,323	<b>5,748</b>	4,313	195	1,340	<b>5,848</b>
Human Resources	6,657	783	680	<b>8,120</b>	6,774	818	703	<b>8,295</b>
Office of General Counsel	3,511	750	221	<b>4,482</b>	3,656	750	221	<b>4,627</b>
Water Recycling Program	1,509	83	3,067	<b>4,659</b>	1,532	21	3,188	<b>4,741</b>
<b>TOTAL</b>	<b>184,292</b>	<b>14,513</b>	<b>75,073</b>	<b>273,878</b>	<b>188,819</b>	<b>13,355</b>	<b>76,833</b>	<b>279,007</b>

## Department Operating Budgets

### Highlights

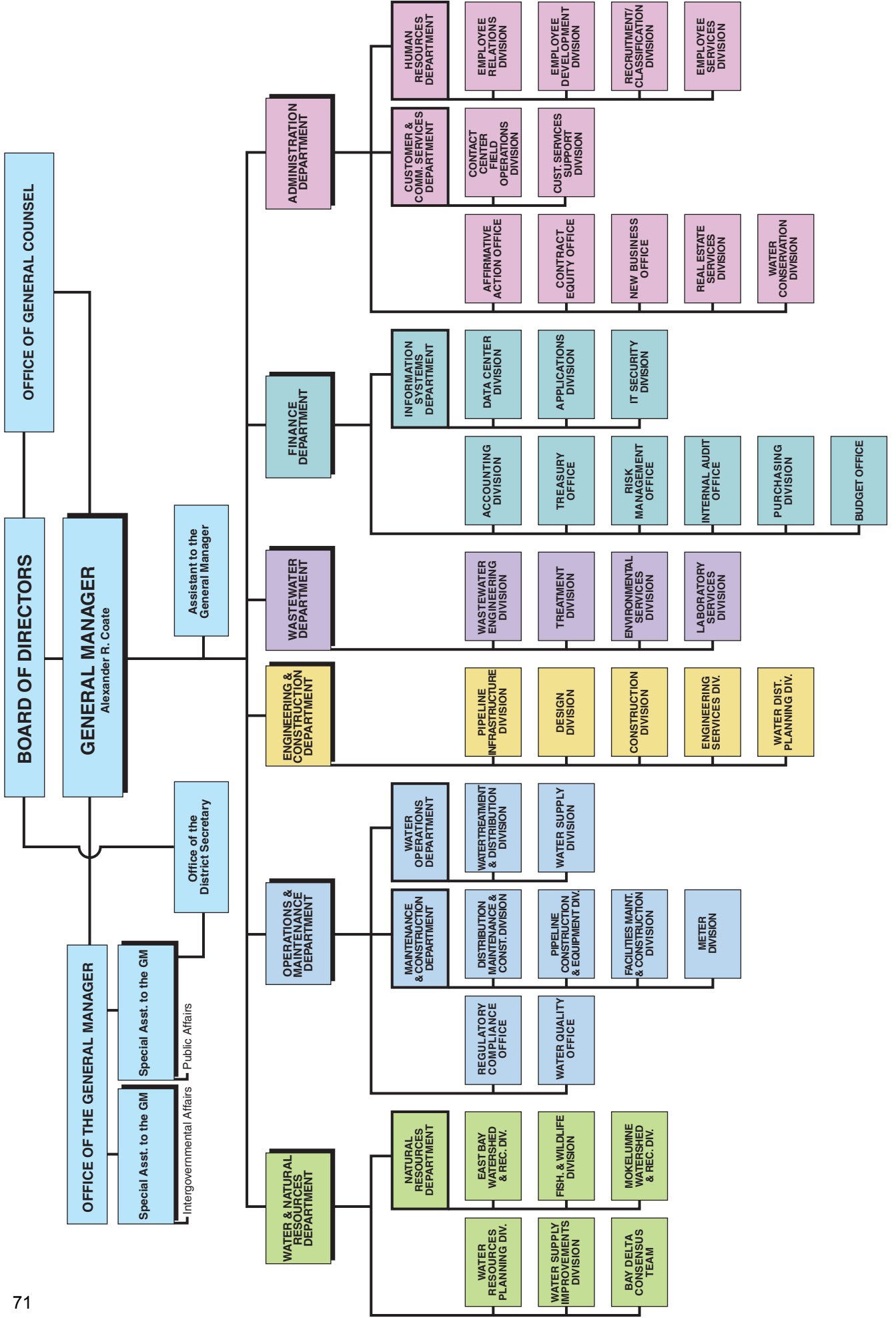
In FY14, staffed department costs increased \$3.8 million or 1.4% compared to the prior fiscal year. The major drivers accounting for the increase compared to FY13 include:

- Personnel costs represent a net increase of \$2.8 million.
  - The fiscal impact of three factors increase personnel costs by \$6.7 million. These factors are the funding of salaries and benefits for vacant positions in priority areas (\$4.5 million), anticipated cost increases (\$1.3 million) for employee health care and the District's contribution to the Retirement System (i.e., the employee benefit rate is changing from 68.0% to 70.1%), and the need to budget other costs such as overtime consistent with prior years' expense trends (\$0.9 million).
  - Planned offsets of \$3.9 million for personnel costs are realized by the deletion of 12 previously funded positions (\$1.6 million) primarily for completed projects, and the partial year funding of several vacant positions to account for the time associated for recruitment (\$2.3 million).
- Self-insured liability claims represent an increase of \$1.0 million to budget these expenditures consistent with prior years' expense trends.

Additional pressures on the operating budget include periodic expenditures such as the replacement of aging computer server storage units which store vital data, professional services to address several areas such as the protection of future water rights and improvements to customer electronic bill payment options, and annual expenditures for vehicle fuel, energy, spoils and sludge disposal. To offset the impact of these rising costs, departments have reduced other operating expenditures and continued cost containment efforts where possible.

In FY15, staffed department costs increased \$5.1 million or 1.9% compared to FY14. The major cost drivers in FY15 compared to FY14 are:

- Personnel costs represent a net increase of \$4.5 million.
  - The increase is attributable to employee benefit cost increases of \$2.8 million for health care and the District's contribution to the Retirement System, and additional labor costs of \$1.7 million for scheduled step increases. The employee benefit rate is changing from 70.1% to 72.8%.
- Non-labor costs represent a net increase of \$0.6 million.
  - Operating costs are anticipated to increase \$2.8 million. This increase is primarily attributed to higher energy cost (\$1.1 million), fleet vehicle expense (\$0.5 million), and fees / licenses (\$0.5 million). Other operating costs increases (\$0.7 million) are attributable to postage primarily for Proposition 218 mailing, chemical costs, insurance premiums, equipment rental and the Water System's share of laboratory costs.
  - These increases are offset by a reduction of \$2.2 million due to work completed in the prior fiscal year including the purchase of computer server storage units (\$1.1 million), and contract services (\$1.1 million) primarily for the protection of future water rights, improvements to customer electronic bill payment options and a customer survey.



## OPERATIONS AND MAINTENANCE SUPPORT DEPARTMENT

### MISSION

Operate and maintain, manage and improve the water system infrastructure, processes and assets, and provide District-wide support and leadership in regulatory compliance.

### DESCRIPTION OF SERVICES PROVIDED

The Operations and Maintenance Support Department consists of two divisions: Administration Support and Regulatory Compliance. The Administration Support Division provides administrative support, management, and direction for the Operations and Maintenance Group consisting of the Maintenance and Construction Department, the Water Operations Department, and the Operations and Maintenance Support Department. In addition, it is responsible for the District's Water Quality Program along with the development and maintenance of the group's work management systems. The Regulatory Compliance Division provides security services, environmental compliance guidance and assistance, emergency preparedness support and workplace health and safety training support to the entire District. It is also responsible for plant engineering services for the Operations and Maintenance Group.

### DEPARTMENT BUDGET SUMMARY

A comparison of the department's budget is shown in the chart below.

Category \$000's	FY13 Amended Budget	FY13 Oblig vs Bud at 50% of yr	FY14 Budget	FY14 vs FY13	FY15 Budget	FY15 vs FY14
Personnel Costs	9,198	51.3%	9,679	5.2%	9,884	2.1%
Contract Services	3,069	45.5%	3,060	-0.3%	3,124	2.1%
All Other Costs	4,672	50.4%	5,063	8.4%	5,147	1.7%
<b>Total Operating</b>	<b>16,939</b>	<b>50.0%</b>	<b>17,802</b>	<b>5.1%</b>	<b>18,155</b>	<b>2.0%</b>
Capitalized Labor	257	92.1%	257	0.0%	262	1.9%
<b>Total Department</b>	<b>17,196</b>	<b>50.6%</b>	<b>18,059</b>	<b>5.0%</b>	<b>18,417</b>	<b>2.0%</b>

### BUDGET HIGHLIGHTS

The Operations and Maintenance Department's operating budget in FY14 is increasing approximately \$0.9 million or 5.1% compared to FY13, and in FY15 is increasing by approximately \$0.4 million or 2.0% compared to the prior fiscal year. Significant budget changes include:

#### FY14

Personnel costs are increasing approximately \$0.5 million due to benefit rate escalation costs and scheduled step increases. All other costs are increasing \$0.4 million primarily due



to the Water System's share of cost associated with the District's laboratory services located at the Main Wastewater Treatment Plant.

FY15

Personnel costs will increase (\$0.2 million) due to benefit rate escalation costs and scheduled step increases. Contract services will increase \$0.06 million primarily due to regulatory required training such as the recertification of crane operators. All other costs will increase approximately \$0.08 million primarily due to the increase in cost for the District's laboratory services and the chiller improvements project (\$0.1 million).

**STAFFING SUMMARY**

The chart below describes the staffing of the department.

<b>Position Type</b>	<b>FY13 Staffing</b>	<b>FY14 Staffing</b>	<b>FY14 vs FY13</b>	<b>FY15 Staffing</b>	<b>FY15 vs FY14</b>
<b>Full Time</b>	57.0	57.0	0.0	57.0	0.0
<b>Limited Term / Temp Const</b>	14.0	14.0	0.0	14.0	0.0
<b>Temporary / Part-Time / Intermittent</b>	2.0	2.0	0.0	2.0	0.0
<b>TOTAL POSITIONS</b>	73.0	73.0	0.0	73.0	0.0
<b>TOTAL FTE</b>	72.0	72.0	0.0	72.0	0.0

## MAINTENANCE AND CONSTRUCTION DEPARTMENT

### MISSION

Operate and maintain, manage and improve the water system infrastructure, processes and assets.

### DESCRIPTION OF SERVICES PROVIDED

The Maintenance and Construction Department consists of four functional divisions: Distribution Maintenance and Construction, Facilities Maintenance and Construction, Pipeline Construction and Equipment, and Meter Reading and Maintenance. Distribution Maintenance and Construction installs new services and pipelines and supports the maintenance, replacement, and installation of the water distribution system by repairing leaks, and, replacing meters and pipeline appurtenances. Facilities Maintenance and Construction provides support for the water treatment infrastructure and other facilities located throughout the Water System. Pipeline Construction and Equipment installs new and replacement pipelines, provides District-wide construction support, and is responsible for vehicle and equipment maintenance and replacement. Meter Reading and Maintenance is responsible for the maintenance, repair, and reading of meters throughout the Water System.

### DEPARTMENT BUDGET SUMMARY

A comparison of the department's budget is shown in the chart below.

Category \$000's	FY13 Amended Budget	FY13 Oblig vs Bud at 50% of yr	FY14 Budget	FY14 vs FY13	FY15 Budget	FY15 vs FY14
Personnel Costs	54,816	47.8%	58,413	6.6%	59,923	2.6%
Contract Services	2,025	45.2%	2,220	9.6%	2,232	0.5%
All Other Costs	19,131	50.7%	20,039	4.7%	20,510	2.4%
<b>Total Operating</b>	<b>75,972</b>	<b>48.5%</b>	<b>80,672</b>	<b>6.2%</b>	<b>82,665</b>	<b>2.5%</b>
Capitalized Labor	28,683	51.1%	28,038	-2.2%	28,878	3.0%
<b>Total Department</b>	<b>104,655</b>	<b>49.2%</b>	<b>108,710</b>	<b>3.9%</b>	<b>111,543</b>	<b>2.6%</b>

### BUDGET HIGHLIGHTS

The Maintenance and Construction Department's operating budget in FY14 is increasing approximately \$4.7 million or 6.2% compared to FY13 and in FY15 an increase of approximately \$2.0 million or 2.5% compared to the prior fiscal year. Significant budget changes include:

#### FY14

Personnel costs will increase approximately \$3.6 million or 6.6% as the services provided by the department are key budget priorities for FY14-15. The department is facing significant staff turnover in the next few years due to retirement. Therefore, workforce planning efforts

will focus on the recruitment of classifications such as technicians, plumbers, and water plant operators over the next several years. Training of these classifications to journey level can take several years to ensure all regulatory and safety compliance standards are met. Contract services costs are increasing \$0.2 million in FY14 primarily for vegetation control, dead tree removal, fire access road and trail maintenance (\$0.06 million) and major HVAC service throughout District facilities due to equipment age and use (\$0.07 million) and other miscellaneous services such as plumbing repairs at District facilities (\$0.03 million). All other costs will increase approximately \$0.9 million or 4.7% primarily due to anticipated increases in District-wide fuel costs which are managed by Fleet Management within the department.

FY15

Personnel costs will increase approximately \$1.5 million due to benefit rate escalation costs and scheduled step increases. All other costs will increase approximately \$0.5 million primarily due to the cost associated with District vehicles (\$0.4 million) and anticipated increases in energy expense (\$0.08 million).

**STAFFING SUMMARY**

The chart below describes the staffing of the department.

Position Type	*FY13 Staffing	FY14 Staffing	FY14 vs FY13	FY15 Staffing	FY15 vs FY14
Full Time	653.0	653.0	0.0	653.0	0.0
Limited Term / Temp Const	1.0	1.0	0.0	1.0	0.0
Temporary / Part-Time / Intermittent	12.0	12.0	0.0	12.0	0.0
<b>TOTAL POSITIONS</b>	<b>666.0</b>	<b>666.0</b>	<b>0.0</b>	<b>666.0</b>	<b>0.0</b>
<b>TOTAL FTE</b>	<b>660.0</b>	<b>660.0</b>	<b>0.0</b>	<b>660.0</b>	<b>0.0</b>

\*Includes Meter Reading Division which moved from the Customer and Community Services Department

## WATER OPERATIONS DEPARTMENT

### MISSION

Operate and maintain, manage and improve the water system infrastructure, processes and assets.

### DESCRIPTION OF SERVICES PROVIDED

The Water Operations Department consists of the Water Supply Division and the Water Treatment and Distribution Division. The Water Treatment and Distribution Division is responsible for the operation of the potable water treatment and distribution facilities and the Supervisory Control and Data Acquisition System, the investigation of water quality, pressure and flow inquiries, and implementing a comprehensive energy management program. The Water Supply Division is responsible for operating and maintaining Pardee and Camanche Reservoirs, raw water aqueducts and pumping plants, hydropower facilities, local reservoirs, and the Folsom South Canal Connection system, to comply with all water rights, contractual requirements, and environmental regulations and maintenance of the recreation areas.

### DEPARTMENT BUDGET SUMMARY

A comparison of the department's budget is shown in the chart below.

Category \$000's	FY13 Amended Budget	FY13 Oblig vs Bud at 50% of yr	FY14 Budget	FY14 vs FY13	FY15 Budget	FY15 vs FY14
Personnel Costs	27,526	49.1%	27,023	-1.8%	27,584	2.1%
Contract Services	884	28.1%	852	-3.6%	830	-2.6%
All Other Costs	22,203	48.0%	22,314	0.5%	23,571	5.6%
<b>Total Operating</b>	<b>50,613</b>	<b>48.2%</b>	<b>50,189</b>	<b>-0.8%</b>	<b>51,985</b>	<b>3.6%</b>
Capitalized Labor	1,249	69.2%	1,265	1.3%	1,296	2.5%
<b>Total Department</b>	<b>51,862</b>	<b>48.8%</b>	<b>51,454</b>	<b>-0.8%</b>	<b>53,281</b>	<b>3.6%</b>

### BUDGET HIGHLIGHTS

The Water Operations Department operating budget in FY14 is decreasing approximately \$0.4 million or 0.8% compared to FY13 and will increase \$1.8 million (3.6%) in FY15 compared to the prior fiscal year. Significant budget changes include:

#### FY14

Contract services costs are decreasing approximately \$0.03 million in FY14 primarily due to lower anticipated costs associated with building, grounds, machine and equipment (\$0.09 million), but is offset by increases such as specialized outside services (\$0.05 million) including pest control, office equipment repairs and goats to clear brush on District property.

FY15

Personnel costs will increase approximately \$0.6 million due to benefit rate escalation costs and scheduled step increases. Contract services will decrease \$0.02 million due to electrical training classes completed in FY14. All other costs will increase approximately \$1.3 million primarily due to anticipated increases in energy (\$1.0 million) and chemicals (\$0.2 million).

**STAFFING SUMMARY**

The chart below describes the staffing of the department.

<b>Position Type</b>	<b>FY13 Staffing</b>	<b>FY14 Staffing</b>	<b>FY14 vs FY13</b>	<b>FY15 Staffing</b>	<b>FY15 vs FY14</b>
<b>Full Time</b>	<b>194.0</b>	<b>194.0</b>	<b>0.0</b>	<b>194.0</b>	<b>0.0</b>
<b>Limited Term / Temp Const</b>	<b>1.0</b>	<b>0.0</b>	<b>(1.0)</b>	<b>0.0</b>	<b>0.0</b>
<b>Temporary / Part-Time / Intermittent</b>	<b>5.0</b>	<b>5.0</b>	<b>0.0</b>	<b>5.0</b>	<b>0.0</b>
<b>TOTAL POSITIONS</b>	<b>200.0</b>	<b>199.0</b>	<b>(1.0)</b>	<b>199.0</b>	<b>0.0</b>
<b>TOTAL FTE</b>	<b>197.5</b>	<b>196.5</b>	<b>(1.0)</b>	<b>196.5</b>	<b>0.0</b>

**POSITION CHANGES**

The table below summarizes the position changes, followed by a brief description of the position changes. The change in cost is determined by comparing the annual cost of the salaries and benefits of the current position with the annual cost of the new position at the top salary step.

<b>FY</b>	<b>Action</b>	<b>From Classification(s)</b>	<b>To Classification(s)</b>	<b>Change in Cost</b>	<b>Change in FTE</b>	<b>Project/Program</b>
2014	Delete	TC Sr. Civil Engineer		(227,069)	(1.0)	Freeport Project
<b>FY14 TOTAL</b>				<b>(227,069)</b>	<b>(1.0)</b>	

In FY14, the Department is deleting one position due to completion of the Freeport project.

## WATER RESOURCES DEPARTMENT

### MISSION

Develop the plans, policies and programs necessary to protect existing District water rights and entitlements, develop additional high quality water supplies to meet future needs, and assure the availability of adequate physical facilities to meet those needs.

### DESCRIPTION OF SERVICES PROVIDED

The Water Resources Department is comprised of three divisions: the Water Resources Planning Division, the Water Supply Improvements Division (WSID), and the Water and Natural Resources Administration Division. Water Resources Planning is responsible for protecting current water rights and developing additional water rights as necessary to meet future needs. Water Supply Improvements is responsible for planning and implementing supplemental supply and recycling projects needed to meet current and future needs. The Administration Division provides general management and oversees the Bay-Delta Section, which provides the District's technical and policy evaluation and advocacy efforts related to the State and Federal plans to restore the San Francisco Bay-Delta ecosystem.

### DEPARTMENT BUDGET SUMMARY

A comparison of the department's budget is shown in the chart below.

Category \$000's	FY13 Amended Budget	FY13 Oblig vs Bud at 50% of yr	FY14 Budget	FY14 vs FY13	FY15 Budget	FY15 vs FY14
Personnel Costs	5,228	57.8%	5,644	8.0%	6,005	6.4%
Contract Services	340	20.6%	757	122.6%	147	-80.6%
All Other Costs	1,018	59.2%	938	-7.9%	933	-0.5%
<b>Total Operating</b>	<b>6,586</b>	<b>56.1%</b>	<b>7,339</b>	<b>11.4%</b>	<b>7,085</b>	<b>-3.5%</b>
Capitalized Labor	1,827	39.0%	1,748	-4.3%	1,528	-12.6%
<b>Total Department</b>	<b>8,413</b>	<b>52.4%</b>	<b>9,087</b>	<b>8.0%</b>	<b>8,613</b>	<b>-5.2%</b>

### BUDGET HIGHLIGHTS

The Water Resources Department operating budget in FY14 is increasing approximately \$0.8 million or 11.4% compared to FY13 and will decrease \$0.3 million in FY15 (3.5%) compared to the prior fiscal year. Significant budget changes include:

#### FY14

Personnel costs are increasing (\$0.4 million) due to benefit rate escalation costs and scheduled step increases. Contract services costs are increasing \$0.4 million in FY14 due to efforts to protect the District's water rights. All other costs will decrease \$0.08 million

primarily due to expenses associated with the District's share of payments to the joint DSRSD/EBMUD Recycled Water Authority (DERWA) for recycled water use.

**FY15**

Personnel costs will increase approximately (\$0.4 million) due to benefit rate escalation costs and scheduled step increases. Contract services are decreasing \$0.6 million due to the completion of work associated with the District's effort to protect future water rights.

**STAFFING SUMMARY**

The chart below describes the staffing of the department.

Position Type	FY13 Staffing	FY14 Staffing	FY14 vs FY13	FY15 Staffing	FY15 vs FY14
Full Time	42.0	42.0	0.0	42.0	0.0
Limited Term / Temp Const	2.0	0.0	(2.0)	0.0	0.0
Temporary / Part-Time / Intermittent	0.0	0.0	0.0	0.0	0.0
<b>TOTAL POSITIONS</b>	<b>44.0</b>	<b>42.0</b>	<b>(2.0)</b>	<b>42.0</b>	<b>0.0</b>
<b>TOTAL FTE</b>	<b>44.0</b>	<b>42.0</b>	<b>(2.0)</b>	<b>42.0</b>	<b>0.0</b>

**POSITION CHANGES**

The table below summarizes the position changes, followed by a brief description of the position changes. The change in cost is determined by comparing the annual cost of the salaries and benefits of the current position with the annual cost of the new position at the top salary step.

FY	Action	From Classification(s)	To Classification(s)	Change in Cost	Change in FTE	Project/Program
2014	Delete	TC Assoc Civil/Elec/Mech Eng / TC Assoc Planner		(195,883)	(1.0)	Freeport Project
2014	Delete	TC Assoc Civil/Elec/Mech Eng / TC Assoc Planner		(195,883)	(1.0)	Freeport Project
<b>FY14 TOTAL</b>				<b>(391,766)</b>	<b>(2.0)</b>	

In FY14, the Department is deleting two positions due to the completion of the Freeport project.

## NATURAL RESOURCES DEPARTMENT

### MISSION

Manage over 50,000 acres of watershed lands and related facilities, and develop and implement programs for water quality and environmental protection and recreation on these lands, and the reservoirs, rivers and streams within them.

### DESCRIPTION OF SERVICES PROVIDED

The Natural Resources Department consists of three divisions: the East Bay Watershed and Recreation Division, the Mokelumne Watershed and Recreation Division, and the Fisheries and Wildlife Division. The department manages and protects the local and upcountry watersheds including overseeing environmental, recreation, and public education programs, and the Mokelumne River Fish Hatchery. The department also develops and maintains the scientific information necessary to manage the District's watershed and recreation lands and facilities, and the Lower Mokelumne River fishery.

### DEPARTMENT BUDGET SUMMARY

A comparison of the department's budget is shown in the chart below.

Category \$000's	FY13 Amended Budget	FY13 Oblig vs Bud at 50% of yr	FY14 Budget	FY14 vs FY13	FY15 Budget	FY15 vs FY14
Personnel Costs	8,890	47.8%	8,302	-6.6%	8,570	3.2%
Contract Services	2,402	32.3%	2,636	9.7%	2,719	3.1%
All Other Costs	2,550	47.6%	2,710	6.3%	2,763	2.0%
<b>Total Operating</b>	<b>13,842</b>	<b>45.1%</b>	<b>13,648</b>	<b>-1.4%</b>	<b>14,052</b>	<b>3.0%</b>
Capitalized Labor	95	38.0%	57	-40.0%	59	3.5%
<b>Total Department</b>	<b>13,937</b>	<b>45.0%</b>	<b>13,705</b>	<b>-1.7%</b>	<b>14,111</b>	<b>3.0%</b>

### BUDGET HIGHLIGHTS

The Natural Resources Department operating budget in FY14 is decreasing approximately \$0.2 million or 1.4% compared to FY13 and increasing approximately \$0.4 million (3.0%) in FY15 compared to the prior fiscal year. Significant budget changes include:

#### FY14

Personnel costs will decrease approximately \$0.6 million due to budgeting for fewer positions such as a vacant department manager position. Contract services expenses will increase approximately \$0.23 million primarily for the District's share of coded wire tags recovery and processing at the lab per California Department of Fish & Game requirements and fire prevention and mitigation costs to meet regulatory and safety requirements for tree / vegetation removal. All other costs will increase \$0.16 million primarily due to the hatchery



operations agreement with the California Department of Fish and Game (\$0.07 million), increase in vehicle usage cost (\$0.04 million), and operational costs associated with District watershed locations such as equipment and parts and materials for buildings and grounds (\$0.04 million).

FY15

Personnel costs are increasing due to benefit rate escalation costs and scheduled step increases. Contract services will increase \$0.08 million primarily due to anticipated increases for watershed security contracts (\$0.05 million) and the District's share of coded wire tags recovery and processing mentioned in FY14 (\$0.03 million).

**STAFFING SUMMARY**

The chart below describes the staffing of the department.

<b>Position Type</b>	<b>FY13 Staffing</b>	<b>FY14 Staffing</b>	<b>FY14 vs FY13</b>	<b>FY15 Staffing</b>	<b>FY15 vs FY14</b>
<b>Full Time</b>	67.0	67.0	0.0	67.0	0.0
<b>Limited Term / Temp Const</b>	0.0	0.0	0.0	0.0	0.0
<b>Temporary / Part-Time / Intermittent</b>	5.0	5.0	0.0	5.0	0.0
<b>TOTAL POSITIONS</b>	72.0	72.0	0.0	72.0	0.0
<b>TOTAL FTE</b>	69.5	69.5	0.0	69.5	0.0

## ENGINEERING AND CONSTRUCTION DEPARTMENT

### MISSION

Develop plans, policies and programs that assure the availability of adequate physical facilities to meet future water service needs. Provide leadership for technical innovation in engineering, construction, research and development, and operational efficiency improvements. Implement the District's capital program, including infrastructure management, system expansions, and facility improvements.

### DESCRIPTION OF SERVICES PROVIDED

The Engineering and Construction Department consists of five divisions: Water Distribution Planning, Design, Pipeline Infrastructure, Engineering Services, and Construction. Services include: planning, design, and construction management and inspection. Support services include: cost estimates, contract specifications, bid and award, survey, mapping, graphic design, hydraulic modeling, geotechnical engineering, materials testing, storage of engineering records and engineering support to operating departments.

### DEPARTMENT BUDGET SUMMARY

A comparison of the department's budget is shown in the chart below.

Category \$000's	FY13 Amended Budget	FY13 Oblig vs Bud at 50% of yr	FY14 Budget	FY14 vs FY13	FY15 Budget	FY15 vs FY14
Personnel Costs	14,220	45.0%	14,473	1.8%	14,702	1.6%
Contract Services	131	27.0%	83	-36.6%	83	0.0%
All Other Costs	767	66.0%	845	10.2%	837	-0.9%
<b>Total Operating</b>	<b>15,118</b>	<b>45.0%</b>	<b>15,401</b>	<b>1.9%</b>	<b>15,622</b>	<b>1.4%</b>
Capitalized Labor	25,825	56.0%	26,948	4.3%	27,410	1.7%
<b>Total Department</b>	<b>40,943</b>	<b>52.3%</b>	<b>42,349</b>	<b>3.4%</b>	<b>43,032</b>	<b>1.6%</b>

### BUDGET HIGHLIGHTS

The Engineering and Construction Department's operating budget in FY14 will increase approximately \$0.3 million or 1.9%. In FY15, the department's budget will increase approximately \$0.2 million or 1.4% compared to the prior fiscal year. Significant budget changes include:

#### FY14

Contract services will decrease approximately \$0.05 million primarily due to a reduced need forecasted for aerial surveys of District property and geologic consultant services. All other

costs are primarily increasing (\$0.08 million) due to the purchase of Windows 7 compliant computer equipment and replacement of aging surveying equipment.

FY15

Personnel costs are increasing approximately \$0.23 million due to benefit rate escalation costs and scheduled salary step increases.

**STAFFING SUMMARY**

The chart below describes the staffing of the department.

Position Type	FY13 Staffing	FY14 Staffing	FY14 vs FY13	FY15 Staffing	FY15 vs FY14
Full Time	238.0	239.0	1.0	239.0	0.0
Limited Term / Temp Const	11.0	8.0	(3.0)	7.0	(1.0)
Temporary / Part-Time / Intermittent	3.0	3.0	0.0	3.0	0.0
<b>TOTAL POSITIONS</b>	<b>252.0</b>	<b>250.0</b>	<b>(2.0)</b>	<b>249.0</b>	<b>(1.0)</b>
<b>TOTAL FTE</b>	<b>250.5</b>	<b>248.5</b>	<b>(2.0)</b>	<b>247.5</b>	<b>(1.0)</b>

**POSITION CHANGES**

The table below summarizes the position changes, followed by a brief description of the position changes. The change in cost is determined by comparing the annual cost of the salaries and benefits of the current position with the annual cost of the new position at the top salary step.

FY	Action	From Classification(s)	To Classification(s)	Change in Cost	Change in FTE	Project/Program
2014	Conversion	TC Senior Construction Inspector	Senior Construction Inspector	0	0.0	Baseline Need
2014	Delete	TC Assistant Surveying Supervisor		(186,449)	(1.0)	San Pablo Dam Upgrade
2014	Delete	TC Senior Construction Inspector		(173,063)	(1.0)	Mokelumne Aqueduct Temperature Anchor Upgrade
<b>FY14 TOTAL</b>				<b>(323,106)</b>	<b>(2.0)</b>	
2015	Delete	TC Survey Tech I/II		(138,632)	(1.0)	Mokelumne Aqueduct Interconnection
<b>FY15 TOTAL</b>				<b>(138,632)</b>	<b>(1.0)</b>	

In FY14, the Department is deleting two positions due to project completion (i.e., San Pablo Dam Upgrade project and the Mokelumne Aqueduct Temperature Anchor Upgrade), and one position is converting to Regular based on resource loading projections. In FY15, the completion of the Mokelumne Aqueduct Interconnection will result in the deletion of one position.

**OFFICE OF THE GENERAL MANAGER**

**MISSION**

Enhance the understanding and support for District services by effectively communicating EBMUD’s policies, priorities and plans to customers, employees, the public, the media, legislators, environmental organizations, and local, state, and federal stakeholders and decision-makers.

**DESCRIPTION OF SERVICES PROVIDED**

The Office of the General Manager is composed of three work units: the Office of the General Manager, the Office of the GM - Governmental Affairs, and the Office of the GM - Communications. The Office of the General Manager provides several District-wide functions including: legislative and intergovernmental agency coordination; public and community education and outreach; support to the Board of Directors and District-wide records management.

**DEPARTMENT BUDGET SUMMARY**

A comparison of the department's budget is shown in the chart below.

Category \$000's	FY13 Amended Budget	FY13 Oblig vs Bud at 50% of yr	FY14 Budget	FY14 vs FY13	FY15 Budget	FY15 vs FY14
Personnel Costs	4,406	50.0%	4,282	-2.8%	4,355	1.7%
Contract Services	273	47.0%	266	-2.6%	169	-36.5%
All Other Costs	873	16.0%	571	-34.6%	1,070	87.4%
<b>Total Operating</b>	<b>5,552</b>	<b>45.0%</b>	<b>5,119</b>	<b>-7.8%</b>	<b>5,594</b>	<b>9.3%</b>
Capitalized Labor	0	0.0%	0	0	0	0
<b>Total Department</b>	<b>5,552</b>	<b>44.5%</b>	<b>5,119</b>	<b>-7.8%</b>	<b>5,594</b>	<b>9.3%</b>

**BUDGET HIGHLIGHTS**

The Office of the General Manager’s operating budget in FY14 is decreasing approximately \$0.4 million or 7.8% compared to FY13. In FY15, the department will increase \$0.48 million or 9.3% compared to the prior fiscal year. Significant budget changes include:

FY14

Contract services costs will decrease \$0.01 million primarily due to a reduced scope for the District-wide customer survey, which was deferred in FY13 to FY14. Personnel costs have decreased \$0.12 million due to one less funded position compared to FY13. All other costs will decrease \$0.3 million compared to FY13 primarily due to Board election fees charged by

the counties to participate in the ballot process which occurs in the second year of the biennial budget.

FY15

Contract services costs will decrease approximately \$0.1 million due to the District-wide customer survey expense which occurred in the prior fiscal period. All other costs will increase approximately \$0.5 million primarily due to the Board election fees mentioned above which occur in the second year of the budget.

**STAFFING SUMMARY**

The chart below describes the staffing for the department.

<b>Position Type</b>	<b>FY13 Staffing</b>	<b>FY14 Staffing</b>	<b>FY14 vs FY13</b>	<b>FY15 Staffing</b>	<b>FY15 vs FY14</b>
<b>Full Time</b>	25.0	25.0	0.0	25.0	0.0
<b>Limited Term / Temp Const</b>	0.0	0.0	0.0	0.0	0.0
<b>Temporary / Part-Time / Intermittent</b>	1.0	1.0	0.0	1.0	0.0
<b>TOTAL POSITIONS</b>	26.0	26.0	0.0	26.0	0.0
<b>TOTAL FTE</b>	25.5	25.5	0.0	25.5	0.0

## FINANCE DEPARTMENT

### MISSION

Provide support, direction, and leadership which promote and facilitates the success of the District's overall mission, and efficiently utilize the District's financial resources while maintaining reasonable rates for our customers.

### DESCRIPTION OF SERVICES PROVIDED

The Finance Department provides fiscal management of the District's resources, accomplished through accounting for billing, payments and fiscal controls; coordinating workers compensation and risk management; and managing new and existing funding sources. There are seven divisions in the Finance Department, including Finance Administration, Treasury Operations, the Office of Internal Audit, the Accounting Division, the Budget Office, the Purchasing Division, and Risk Management.

### DEPARTMENT BUDGET SUMMARY

A comparison of the department's budget is shown in the chart below.

Category \$000's	FY13 Amended Budget	FY13 Oblig vs Bud at 50% of yr	FY14 Budget	FY14 vs FY13	FY15 Budget	FY15 vs FY14
Personnel Costs	13,436	50.0%	13,573	1.0%	13,831	1.9%
Contract Services	1,391	57.0%	1,306	-6.1%	1,325	1.5%
All Other Costs	7,778	43.0%	9,276	19.3%	9,264	-0.1%
<b>Total Operating</b>	<b>22,605</b>	<b>48.0%</b>	<b>24,155</b>	<b>6.9%</b>	<b>24,420</b>	<b>1.1%</b>
Capitalized Labor	0	0.0%	0	0	0	0
<b>Total Department</b>	<b>22,605</b>	<b>48.0%</b>	<b>24,155</b>	<b>6.9%</b>	<b>24,420</b>	<b>1.1%</b>

### BUDGET HIGHLIGHTS

The Finance Department's operating budget in FY14 is increasing \$1.55 million or 6.9% compared to FY13. In FY15, the department will increase \$0.27 million or 1.1% compared to the prior fiscal year. Significant budget changes include:

#### FY14

Contract services costs will decrease approximately \$0.09 million compared to FY13 for anticipated reduction in expense for District banking services (\$0.03 million), directly billing for external auditor expense for Joint Powers of Agreements (JPA) and the Employee Retirement System (\$0.03 million), and reductions in purchasing (\$0.03 million). All other costs are increasing approximately \$1.5 million primarily due to an increase in the budget for self-insured liability claims (\$1.02 million), Worker's Compensation claims (\$0.2 million), and

insurance premiums and fees (\$0.11 million). Funding also has been budgeted for work associated with a cost of service survey to evaluate rates and charges (\$0.13 million). In addition, the District's fleet of copiers has aged past the point where service contracts are cost effective, and need to be replaced over the next five years, starting with \$0.1 million each year.

**FY15**

Personnel costs are increasing approximately \$0.26 million due to benefit rate escalation costs and scheduled step increases. Contract services expenses are increasing approximately \$0.02 million due to an anticipated increase in the cost for claims administrator services.

**STAFFING SUMMARY**

The chart below describes the staffing of the department.

Position Type	FY13 Staffing	FY14 Staffing	FY14 vs FY13	FY15 Staffing	FY15 vs FY14
Full Time	96.0	95.0	(1.0)	95.0	0.0
Limited Term / Temp Const	1.0	1.0	0.0	1.0	0.0
Temporary / Part-Time / Intermittent	1.0	1.0	0.0	1.0	0.0
<b>TOTAL POSITIONS</b>	<b>98.0</b>	<b>97.0</b>	<b>(1.0)</b>	<b>97.0</b>	<b>0.0</b>
<b>TOTAL FTE</b>	<b>97.5</b>	<b>96.5</b>	<b>(1.0)</b>	<b>96.5</b>	<b>0.0</b>

**POSITION CHANGES**

The table below summarizes the position changes, followed by a brief description of the position changes. The change in cost is determined by comparing the annual cost of the salaries and benefits of the current position with the annual cost of the new position at the top salary step.

FY	Action	From Classification(s)	To Classification(s)	Change in Cost	Change in FTE	Project/Program
2014	Delete	Word Processing Specialist II		(105,592)	(1.0)	Workload Efficiencies
<b>FY14 TOTAL</b>				<b>(105,592)</b>	<b>(1.0)</b>	

In FY14, the Department is deleting one position due to advancements in technology.

## INFORMATION SYSTEMS DEPARTMENT

### MISSION

Provide leadership in the planning, establishment, and deployment of information technology and services in support of District functions. Operate business systems critical to the operations of the District. Provide internal business consulting to assist in re-engineering and automating work processes. Promote effective District-wide information management, sharing, accessibility, and security.

### DESCRIPTION OF SERVICES PROVIDED

The Information Systems Department consists of four divisions: Administration, Data Center, Applications, and Security. Together, these divisions support the lifecycle of District's technology and communication needs including initial planning, acquisition, development, deployment, and ongoing maintenance. Areas supported include: remote access, network connectivity, telephone, radio, and microwave communications; application development and integration for a wide range of business functions; risk identification in the computing and network environments; guidance to ensure District systems and data are properly secured and available; and planning to ensure business continuity of District computing resources.

### DEPARTMENT BUDGET SUMMARY

A comparison of the department's budget is shown in the chart below.

Category \$000's	FY13 Amended Budget	FY13 Oblig vs Bud at 50% of yr	FY14 Budget	FY14 vs FY13	FY15 Budget	FY15 vs FY14
Personnel Costs	15,864	54.0%	15,886	0.1%	16,404	3.3%
Contract Services	1,027	37.0%	1,091	6.2%	681	-37.6%
All Other Costs	7,754	65.0%	6,232	-19.6%	5,120	-17.8%
<b>Total Operating</b>	<b>24,645</b>	<b>57.0%</b>	<b>23,209</b>	<b>-5.8%</b>	<b>22,205</b>	<b>-4.3%</b>
Capitalized Labor	835	1.0%	368	-55.9%	379	3.0%
<b>Total Department</b>	<b>25,480</b>	<b>54.9%</b>	<b>23,577</b>	<b>-7.5%</b>	<b>22,584</b>	<b>-4.2%</b>

### BUDGET HIGHLIGHTS

The Information Systems Department operating budget in FY14 will decrease \$1.4 million or 5.8% compared to FY13. In FY15, the operating budget will decrease \$1.0 million or 4.3%. Significant budget changes include:

#### FY14

Contract services are increasing approximately \$0.06 million primarily for work associated with the customer electronic bill payment project mentioned in the Customer and Community



Services Department section. All other costs will decrease \$1.5 million or 19.6%, primarily due to completion of personal computer replacement and software upgrades for Windows 7 in FY13 (resulting in a net decrease of \$2.3 million in FY14), and replacement of computer server storage units that store the District's vital data planned in FY14 (increase of \$1.0 million).

#### FY15

Personnel costs are increasing approximately \$0.5 million due to benefit rate escalation costs and scheduled step increases. Contract services will decrease \$0.4 million due to the completion of the work associated with the customer electronic bill payment project and conclusion of the support contract for the new Customer Information System. All other costs will decrease approximately \$0.1 million primarily due to the completion of the computer server storage unit purchases made in FY14.

### STAFFING SUMMARY

The chart below describes the staffing of the department.

Position Type	FY13 Staffing	FY14 Staffing	FY14 vs FY13	FY15 Staffing	FY15 vs FY14
Full Time	91.0	91.0	0.0	91.0	0.0
Limited Term / Temp Const	4.0	2.0	(2.0)	2.0	0.0
Temporary / Part-Time / Intermittent	0.0	0.0	0.0	0.0	0.0
<b>TOTAL POSITIONS</b>	<b>95.0</b>	<b>93.0</b>	<b>(2.0)</b>	<b>93.0</b>	<b>0.0</b>
<b>TOTAL FTE</b>	<b>95.0</b>	<b>93.0</b>	<b>(2.0)</b>	<b>93.0</b>	<b>0.0</b>

### POSITION CHANGES

The table below summarizes the position changes, followed by a brief description of the position changes. The change in cost is determined by comparing the annual cost of the salaries and benefits of the current position with the annual cost of the new position at the top salary step.

FY	Action	From Classification(s)	To Classification(s)	Change in Cost	Change in FTE	Project/Program
2014	Delete	TC Information Systems Support Analyst I/II		(168,911)	(1.0)	Customer Information Systems (CIS) Project
2014	Delete	TC Information Systems Support Analyst II		(168,911)	(1.0)	Customer Information Systems (CIS) Project
<b>FY14 TOTAL</b>				<b>(337,822)</b>	<b>(2.0)</b>	

In FY14, Department is deleting two positions due to the completion of the CIS project.

## CUSTOMER AND COMMUNITY SERVICES DEPARTMENT

### MISSION

Provide the highest quality customer service using technology and improved business practices to the District's customers guided by fairness, consistency, efficiency, and high standards of professionalism and fiscal responsibility.

### DESCRIPTION OF SERVICES PROVIDED

The Customer and Community Services Department operations include the Customer Contact Center, field services, mail and remittance processing, and customer services support. The department is the direct interface for most of the District's customers and develops and maintains the District's billing and collection system.

### DEPARTMENT BUDGET SUMMARY

A comparison of the department's budget is shown in the chart below.

Category \$000's	FY13 Amended Budget	FY13 Oblig vs Bud at 50% of yr	FY14 Budget	FY14 vs FY13	FY15 Budget	FY15 vs FY14
Personnel Costs	12,076	47.0%	11,120	-7.9%	11,286	1.5%
Contract Services	340	41.0%	421	23.8%	261	-38.0%
All Other Costs	2,232	46.0%	1,794	-19.6%	2,166	20.7%
<b>Total Operating</b>	<b>14,648</b>	<b>47.0%</b>	<b>13,335</b>	<b>-9.0%</b>	<b>13,713</b>	<b>2.8%</b>
Capitalized Labor	0	0.0%	0	0	0	0
<b>Total Department</b>	<b>14,648</b>	<b>46.7%</b>	<b>13,335</b>	<b>-9.0%</b>	<b>13,713</b>	<b>2.8%</b>

### BUDGET HIGHLIGHTS

The Customer and Community Services Department operating budget in FY14 is decreasing \$1.3 million or 9.0% compared to FY13 and increasing 2.8% compared to the prior fiscal year. Significant budget changes are:

#### FY14

Personnel costs are decreasing approximately \$1.0 million or 7.9% in FY14 due to the completion of the Customer Information System (CIS) project. The temporary construction (TC) project team positions are being deleted in FY14. Contract services are increasing 23.8% in FY14 to develop and implement a bill payment system which provides options for customers to pay their water bills electronically and collection costs associated with processing delinquent accounts. The department will work in conjunction with the Information Systems Department to implement the enhancements. All other costs are

decreasing in FY14 primarily for mailing Proposition 218 notices regarding potential rate increases which occurs in the second year of the biennial budget.

**FY15**

Contract services costs will decrease \$0.16 million due to the completion of the electronic bill payment project (\$0.1 million) and the expiration of the revenue recovery contract (\$0.06 million). All other costs will increase \$0.37 million due to the expense for the Proposition 218 mailing notices (\$0.24 million) that occurs every other year, an anticipated increase in postage costs (\$0.06 million), and rental expense (\$0.08 million) for a mail inserter required for printing customer bills.

**STAFFING SUMMARY**

The chart below describes the staffing of the department.

Position Type	FY13 Staffing	FY14 Staffing	FY14 vs FY13	FY15 Staffing	FY15 vs FY14
Full Time	84.0	84.0	0.0	84.0	0.0
Limited Term / Temp Const	4.0	0.0	(4.0)	0.0	0.0
Temporary / Part-Time / Intermittent	30.0	30.0	0.0	30.0	0.0
<b>TOTAL POSITIONS</b>	<b>118.0</b>	<b>114.0</b>	<b>(4.0)</b>	<b>114.0</b>	<b>0.0</b>
<b>TOTAL FTE</b>	<b>104.0</b>	<b>100.0</b>	<b>(4.0)</b>	<b>100.0</b>	<b>0.0</b>

\* Excludes the Meter Reading Division, which moved to the Maintenance and Construction Department.

**POSITION CHANGES**

The table below summarizes the position changes, followed by a brief description of the position changes. The change in cost is determined by comparing the annual cost of the salaries and benefits of the current position with the annual cost of the new position at the top salary step.

FY	Action	From Classification(s)	To Classification(s)	Change in Cost	Change in FTE	Project/Program
2014	Delete	TC Customer Services Supervisor		(164,778)	(1.0)	Customer Information Systems (CIS) Project
2014	Delete	TC Customer Services Supervisor		(164,778)	(1.0)	Customer Information Systems (CIS) Project
2014	Delete	TC Customer Services Manager		(205,741)	(1.0)	Customer Information Systems (CIS) Project
2014	Delete	TC Information Sys. Administrator		(181,873)	(1.0)	Customer Information Systems (CIS) Project
<b>FY14 TOTAL</b>				<b>(717,170)</b>	<b>(4.0)</b>	

In FY14, the Department is deleting four positions due to the completion of the CIS project.

## ADMINISTRATION DEPARTMENT

### MISSION

Provide accurate, timely, and responsive high quality customer services to EBMUD employees, District ratepayers, businesses, vendors, contractors, developers, and other customers. Demonstrate leadership, promote sound business practices, and use cost-effective strategies when carrying out activities pertaining to fair employment and contracting, new business, real estate, and water conservation initiatives.

### DESCRIPTION OF SERVICES PROVIDED

The Administration Department is responsible for the following programs and functions: Contract Equity, Affirmative Action/Equal Employment Opportunity, Water Conservation, Real Estate Services, and New Business.

### DEPARTMENT BUDGET SUMMARY

A comparison of the department's budget is shown in the chart below.

Category \$000's	FY13 Amended Budget	FY13 Oblig vs Bud at 50% of yr	FY14 Budget	FY14 vs FY13	FY15 Budget	FY15 vs FY14
Personnel Costs	4,622	46.0%	4,220	-8.7%	4,313	2.2%
Contract Services	99	73.0%	205	107.1%	195	-4.9%
All Other Costs	1,405	52.0%	1,323	-5.8%	1,340	1.3%
<b>Total Operating</b>	<b>6,126</b>	<b>48.0%</b>	<b>5,748</b>	<b>-6.2%</b>	<b>5,848</b>	<b>1.7%</b>
Capitalized Labor	2,128	46.0%	2,021	-5.0%	2,053	1.6%
<b>Total Department</b>	<b>8,254</b>	<b>47.3%</b>	<b>7,769</b>	<b>-5.9%</b>	<b>7,901</b>	<b>1.7%</b>

### BUDGET HIGHLIGHTS

The Administration Department operating budget in FY14 is decreasing approximately \$0.4 million or 6.2% compared to FY13 and a slight increase in FY15 of \$0.1 million (1.7%) compared to the prior fiscal year. Significant budget changes include:

#### FY14

Contract services costs are increasing \$0.1 million in FY14 due to additional internship programs to develop candidates for entry level positions such as electricians and plumbers.

#### FY15

Personnel costs are slightly increasing due to benefit rate escalation costs and scheduled step increases. Contract services are decreasing \$0.01 million due to fewer appraisal services for surplus properties compared to FY14.

### STAFFING SUMMARY

The chart below describes the staffing of the department.

Position Type	FY13 Staffing	FY14 Staffing	FY14 vs FY13	FY15 Staffing	FY15 vs FY14
Full Time	47.0	47.0	0.0	47.0	0.0
Limited Term / Temp Const	3.0	3.0	0.0	3.0	0.0
Temporary / Part-Time / Intermittent	14.0	14.0	0.0	14.0	0.0
<b>TOTAL POSITIONS</b>	<b>64.0</b>	<b>64.0</b>	<b>0.0</b>	<b>64.0</b>	<b>0.0</b>
<b>TOTAL FTE</b>	<b>57.0</b>	<b>57.0</b>	<b>0.0</b>	<b>57.0</b>	<b>0.0</b>

## HUMAN RESOURCES DEPARTMENT

### MISSION

Recruit, retain, develop and support a qualified workforce through fair and open processes that promote diversity and equity in personnel matters.

### DESCRIPTION OF SERVICES PROVIDED

The Human Resource Department operations include administration, employee development, recruitment and classification, employee services and records, and employee relations.

### DEPARTMENT BUDGET SUMMARY

A comparison of the department's budget is shown in the chart below.

Category \$000's	FY13 Amended Budget	FY13 Oblig vs Bud at 50% of yr	FY14 Budget	FY14 vs FY13	FY15 Budget	FY15 vs FY14
Personnel Costs	6,750	49.0%	6,657	-1.4%	6,774	1.8%
Contract Services	764	78.0%	783	2.5%	818	4.5%
All Other Costs	680	45.0%	680	0.0%	703	3.4%
<b>Total Operating</b>	<b>8,194</b>	<b>51.0%</b>	<b>8,120</b>	<b>-0.9%</b>	<b>8,295</b>	<b>2.2%</b>
Capitalized Labor	0	0.0%	0	0	0	0
<b>Total Department</b>	<b>8,194</b>	<b>51.4%</b>	<b>8,120</b>	<b>-0.9%</b>	<b>8,295</b>	<b>2.2%</b>

### BUDGET HIGHLIGHTS

The Human Resources Department operating budget in FY14 is decreasing \$0.08 million or 0.9% compared to FY13. In FY15, the operating budget will increase \$0.18 million or 2.2%. Significant budget changes include:

#### FY14

Contract services are increasing approximately \$0.02 million to provide enhanced benefits administration support through web based programs and support training programs for new employees as the District is expected to experience a significant number of retirements in the next several years.

#### FY15

Contract services will increase \$0.03 million for an anticipated increase in human resource program costs. All other costs are anticipated to increase \$0.02 million to administer human resource and recruitment programs.

## STAFFING SUMMARY

The chart below describes the staffing of the department.

Position Type	FY13 Staffing	FY14 Staffing	FY14 vs FY13	FY15 Staffing	FY15 vs FY14
Full Time	45.0	45.0	0.0	45.0	0.0
Limited Term / Temp Const	1.0	1.0	0.0	1.0	0.0
Temporary / Part-Time / Intermittent	3.0	3.0	0.0	3.0	0.0
<b>TOTAL POSITIONS</b>	49.0	49.0	0.0	49.0	0.0
<b>TOTAL FTE</b>	47.5	47.5	0.0	47.5	0.0

## OFFICE OF THE GENERAL COUNSEL

### MISSION

Employ and effectively utilize the highest caliber legal and support staff to assure quality and timely legal services to the Board of Directors and District staff.

### DESCRIPTION OF SERVICES PROVIDED

The Office of the General Counsel provides legal assistance and litigation support to the Board, General Manager and staff in such areas as: resources law; municipal and public law; environmental law; public works contracting; construction and real estate law; personnel, benefits, retirement and labor law; risk management and insurance; public finance and governmental law; tort law; and rates, regulations, and public policy matters.

### DEPARTMENT BUDGET SUMMARY

A comparison of the department's budget is shown in the chart below.

Category \$000's	FY13 Amended Budget	FY13 Oblig vs Bud at 50% of yr	FY14 Budget	FY14 vs FY13	FY15 Budget	FY15 vs FY14
Personnel Costs	3,501	52.0%	3,511	0.3%	3,656	4.1%
Contract Services	750	52.0%	750	0.0%	750	0.0%
All Other Costs	214	31.0%	221	3.3%	221	0.0%
<b>Total Operating</b>	<b>4,465</b>	<b>51.0%</b>	<b>4,482</b>	<b>0.4%</b>	<b>4,627</b>	<b>3.2%</b>
Capitalized Labor	0	0.0%	0	0	0	0
<b>Total Department</b>	<b>4,465</b>	<b>51.0%</b>	<b>4,482</b>	<b>0.4%</b>	<b>4,627</b>	<b>3.2%</b>

### BUDGET HIGHLIGHTS

The Office of the General Counsel's operating budget reflects a slight increase of \$0.02 in FY14 or 0.4% above FY13. In FY15, the operating budget will increase 3.2% or \$0.15 million. Significant budget changes include:

#### FY14

All other costs are increasing \$0.01 million for anticipated increases for legal publications and mandatory training for legal staff.

#### FY15

Personnel costs are increasing approximately \$0.15 million due to benefit rate escalation costs and scheduled step increases.



## STAFFING SUMMARY

The chart below describes the staffing of the department.

Position Type	FY13 Staffing	FY14 Staffing	FY14 vs FY13	FY15 Staffing	FY15 vs FY14
Full Time	16.0	16.0	0.0	16.0	0.0
Limited Term / Temp Const	0.0	0.0	0.0	0.0	0.0
Temporary / Part-Time / Intermittent	2.0	2.0	0.0	2.0	0.0
<b>TOTAL POSITIONS</b>	<b>18.0</b>	<b>18.0</b>	<b>0.0</b>	<b>18.0</b>	<b>0.0</b>
<b>TOTAL FTE</b>	<b>17.0</b>	<b>17.0</b>	<b>0.0</b>	<b>17.0</b>	<b>0.0</b>

## POSITION CHANGES

The table below summarizes the position changes, followed by a brief description of the position changes. The change in cost is determined by comparing the annual cost of the salaries and benefits of the current position with the annual cost of the new position at the top salary step.

FY	Action	From Classification(s)	To Classification(s)	Change in Cost	Change in FTE	Project/Program
2014	Remove Flexing	Special Assistant II / Attorney I/ II/ III	Attorney I/ II/ III	23,565	0.0	Workload Efficiencies
<b>FY14 TOTAL</b>				<b>23,565</b>	<b>0.0</b>	

In FY14, the Office of General Counsel is eliminating the flexibility to staff one Attorney I/II/III with a Special Assistant II position to be consistent with other job classifications within the department.

## WATER RECYCLING PROGRAM

### MISSION

Develop and implement projects that provide recycled water for appropriate uses by the District and its customers to reduce the demand on high quality drinking water supplies.

### DESCRIPTION OF SERVICES PROVIDED

The Water Recycling Program Department is responsible for operating and maintaining the North Richmond Water Reclamation Plant and the Richmond Advance Recycled Expansion (RARE) facility that provide recycled water for use in the Chevron refinery and the East Bayshore Recycled Water treatment facility that provides recycled water to customers for primarily irrigation applications. Unlike other Water System Departments, this program is budgeted in the Water System but managed in the Wastewater System Treatment Division.

### DEPARTMENT BUDGET SUMMARY

A comparison of the department's budget is shown in the chart below.

Category \$000's	FY13 Amended Budget	FY13 Oblig vs Bud at 50% of yr	FY14 Budget	FY14 vs FY13	FY15 Budget	FY15 vs FY14
Personnel Costs	1,514	56.0%	1,509	-0.3%	1,532	1.5%
Contract Services	89	73.0%	83	-6.7%	21	-74.7%
All Other Costs	3,161	40.0%	3,067	-3.0%	3,188	3.9%
<b>Total Operating</b>	<b>4,764</b>	<b>45.7%</b>	<b>4,659</b>	<b>-2.2%</b>	<b>4,741</b>	<b>1.8%</b>
Capitalized Labor	0	0.0%	0	0	0	0
<b>Total Department</b>	<b>4,764</b>	<b>45.7%</b>	<b>4,659</b>	<b>-2.2%</b>	<b>4,741</b>	<b>1.8%</b>

### BUDGET HIGHLIGHTS

The Water Recycling Program operating budget reflects a decrease of \$0.1 million in FY14 or 2.2% lower than FY13. In FY15, the operating budget will increase 1.8% or \$0.08 million.

Significant budget changes include:

#### FY14

Contract services will decrease \$0.06 million primarily due to lower costs associated with the process support and training related to the microfiltration and reverse osmosis systems at the new RARE water treatment plant. All other costs will decrease \$0.09 million primarily due to lower chemical costs.

#### FY15

Personnel costs are increasing approximately \$0.02 million due to overtime and benefit rate

escalation costs. Contract services will decrease \$0.06 million or 74.7% primarily due to the conclusion of the RARE water treatment plant process support and training contract and the completion of the investigation work to improve membrane resistance to fouling. All other costs will increase \$0.1 million primarily for cost increases to reimburse the Water System for additional labor support for recycled water (\$0.04 million), plant operating expenditures such as energy (\$0.03 million), chemicals (\$0.02 million) and fee increases (\$0.03 million) for backwash of the membranes, and municipal sewer discharge fees in the jurisdictions where the facilities reside.

### STAFFING SUMMARY

The chart below describes the staffing of the department.

Position Type	FY13 Staffing	FY14 Staffing	FY14 vs FY13	FY15 Staffing	FY15 vs FY14
Full Time	8.0	8.0	0.0	8.0	0.0
Limited Term / Temp Const	0.0	0.0	0.0	0.0	0.0
Temporary / Part-Time / Intermittent	0.0	0.0	0.0	0.0	0.0
<b>TOTAL POSITIONS</b>	<b>8.0</b>	<b>8.0</b>	<b>0.0</b>	<b>8.0</b>	<b>0.0</b>
<b>TOTAL FTE</b>	<b>8.0</b>	<b>8.0</b>	<b>0.0</b>	<b>8.0</b>	<b>0.0</b>

## Staffing

The chart below provides the FTE by department and compares the change in full-time equivalent positions.

<b>FY14-15 STAFFING BY DEPARTMENT</b> Positions by Full-Time Equivalent (FTE)					
<b>Department</b>	<b>FY13 Amended</b>	<b>FY14</b>	<b>FTE Change</b>	<b>FY15</b>	<b>FTE Change</b>
Operations & Maintenance Support	72.0	72.0	0.0	72.0	0.0
Maintenance and Construction	660.0	660.0	0.0	660.0	0.0
Water Operations	197.5	196.5	(1.0)	196.5	0.0
Water Resources	44.0	42.0	(2.0)	42.0	0.0
Natural Resources	69.5	69.5	0.0	69.5	0.0
Engineering & Construction	250.5	248.5	(2.0)	247.5	(1.0)
Office of the General Manager	25.5	25.5	0.0	25.5	0.0
Finance	97.5	96.5	(1.0)	96.5	0.0
Information Systems	95.0	93.0	(2.0)	93.0	0.0
Customer & Community Services	104.0	100.0	(4.0)	100.0	0.0
Administration	57.0	57.0	0.0	57.0	0.0
Human Resources	47.5	47.5	0.0	47.5	0.0
Office of the General Counsel	17.0	17.0	0.0	17.0	0.0
Water Recycling Program	8.0	8.0	0.0	8.0	0.0
<b>WATER SYSTEM TOTAL</b>	<b>1,745.0</b>	<b>1,733.0</b>	<b>(12.0)</b>	<b>1,732.0</b>	<b>(1.0)</b>

## Bargaining Unit Changes

The following tables show by department the net change in bargaining unit status of authorized positions represented by AFSCME Local 2019, AFSCME Local 444, AFL/CIO Local 21, and IUOE Local 39; or included in Management/Confidential and other Non-represented groups. The charts reflect all staffing changes for FY14 and FY15.

FY 14 vs. FY 13 Net Change in Bargaining Unit Status							
Department	Local 2019	Local 444	Local 21	Local 39	Mgmt / Confidential	Non-Rep	Exempt
Operations Support	-	-	-	-	-	-	-
Maintenance & Construction	-	-	-	-	-	-	-
Water Operations	-	-	-1	-	-	-	-
Water Resources	-	-	-2	-	-	-	-
Natural Resources	-	-	-	-	-	-	-
Engineering & Construction	-1	-	-1	-	-	-	-
Office of the General Manager	-	-	-	-	-	-	-
Finance	-1	-	-	-	-	-	-
Information Systems	-2	-	-	-	-	-	-
Customer & Community Services	-	-	-3	-	-1	-	-
Administration	-	-	-	-	-	-	-
Human Resources	-	-	-	-	-	-	-
Office of the General Counsel	-	-	-	-	-	-	-
Water Recycling Program	-	-	-	-	-	-	-
<b>Total Net Change</b>	<b>-4</b>	<b>0</b>	<b>-7</b>	<b>0</b>	<b>-1</b>	<b>0</b>	<b>0</b>

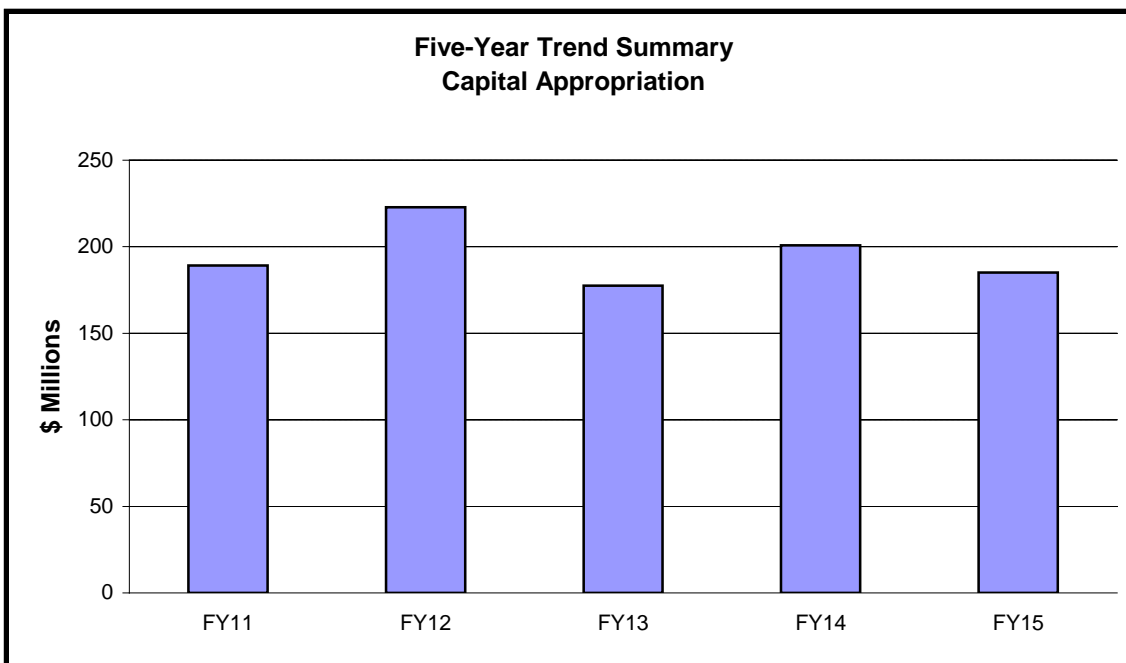
FY 15 vs. FY 14 Net Change in Bargaining Unit Status							
Department	Local 2019	Local 444	Local 21	Local 39	Mgmt / Confidential	Non-Rep	Exempt
Operations Support	-	-	-	-	-	-	-
Maintenance & Construction	-	-	-	-	-	-	-
Water Operations	-	-	-	-	-	-	-
Water Resources	-	-	-	-	-	-	-
Natural Resources	-	-	-	-	-	-	-
Engineering & Construction	-1	-	-	-	-	-	-
Office of the General Manager	-	-	-	-	-	-	-
Finance	-	-	-	-	-	-	-
Information Systems	-	-	-	-	-	-	-
Customer & Community Services	-	-	-	-	-	-	-
Administration	-	-	-	-	-	-	-
Human Resources	-	-	-	-	-	-	-
Office of the General Counsel	-	-	-	-	-	-	-
Water Recycling Program	-	-	-	-	-	-	-
<b>Total Net Change</b>	<b>-1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## CAPITAL EXPENDITURES

### Capital Budget Overview

Capital appropriations represent the amounts approved by the Board to be spent on projects in the Capital Improvement Program. Since these appropriations are often spent over multiple years, the amounts appropriated each year tend to vary depending upon project scope and timing, and the amount of unspent appropriation a project may have. For the five years FY11-15, the capital appropriation averages \$195.1 million per year including administrative and general expenses.

The Water System's FY14 appropriation totals \$200.8 million, which represents an increase of \$23.2 million from FY13. This year's appropriation request reflects the District's continued commitment to capital improvements that focus on maintaining and improving the infrastructure, and improving our ability to comply with current and proposed drinking water and environmental regulations. In FY15, the appropriation is decreasing by \$15.8 million to \$185.0 million.



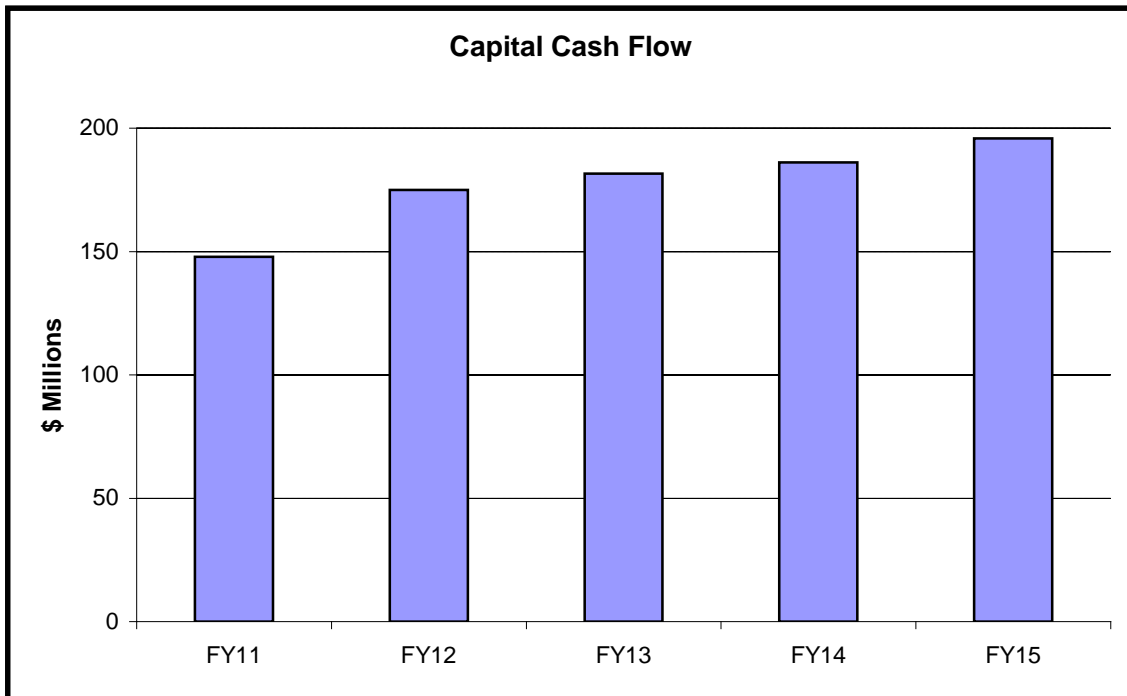
<b>Capital Appropriation (\$ Millions)</b>							
	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY14</b>	<b>FY15</b>	<b>FY15</b>
	<b>Amended Budget</b>	<b>Amended Budget</b>	<b>Amended Budget</b>	<b>Adopted Budget</b>	<b>vs FY13 %Change</b>	<b>Adpoted Budget</b>	<b>vs FY14 %Change</b>
<b>Capital Appropriation*</b>	<b>189.1</b>	<b>222.9</b>	<b>177.6</b>	<b>200.8</b>	<b>13.1%</b>	<b>185.0</b>	<b>-7.9%</b>

\* with Admin and General

## Capital Cash Flow

Capital cash flows represent the amounts projected to be spent each fiscal year on projects in the Capital Improvement Program. The amount of cash flow each year varies as projects progress from one phase to another, such as from planning to design and then construction, and as projects are completed and new ones started. For the five years FY11-15, the capital cash flow averages \$177.3 million per year including administrative and general expenses.

The Water System's FY14 cash flow totals \$186.1 million, which represents an increase of \$4.5 million from FY13. The increase is primarily for improvements at various pressure zones and water treatment plants, and additional pipeline replacements which is partially off set by a decrease in reservoir rehabilitation as the construction of one replacement reservoir was recently completed, and design is beginning for another. In FY15, the cash flow is increasing by \$9.8 million to \$195.9 million primarily for increases in spending to rehabilitate pumping plants, seismic upgrades to Chabot Dam and modifications to several reservoir towers.



Capital Cash Flow (\$ Millions)							
	FY11 Amended Budget	FY12 Amended Budget	FY13 Amended Budget	FY14 Adopted Budget	FY14 vs FY13 %Change	FY15 Adopted Budget	FY15 vs FY14 %Change
<b>Capital Cash Flow *</b>	147.8	175.0	181.6	186.1	2.5%	195.9	5.3%

\* with Admin and General

## Capital Labor

The following chart shows the capital labor budget by department for capital work.

<b>Capital Labor By Department (\$000s)</b>					
<b>DEPARTMENTS</b>	<b>FY13 Amended Budget</b>	<b>FY14 Adopted Budget</b>	<b>Budget % Change</b>	<b>FY15 Adopted Budget</b>	<b>Budget % Change</b>
Operations & Maintenance Support	257	257	0.0%	262	1.9%
Maintenance and Construction	28,625	28,038	-2.1%	28,878	3.0%
Water Operations	1,249	1,265	1.3%	1,296	2.5%
Water Resources	1,827	1,748	-4.3%	1,528	-12.6%
Natural Resources	96	57	-40.6%	59	3.5%
Engineering and Construction	25,821	26,948	4.4%	27,410	1.7%
Office of the General Manager	0	0	0.0%	0	0.0%
Finance	0	0	0.0%	0	0.0%
Information Systems	835	368	-55.9%	379	3.0%
Customer and Community Services	0	0	0.0%	0	0.0%
Administration	2,128	2,021	-5.0%	2,053	1.6%
Human Resources	0	0	0.0%	0	0.0%
Office of the General Counsel	0	0	0.0%	0	0.0%
Water Recycling Program	0	0	0.0%	0	0.0%
<b>Departments Total</b>	<b>60,838</b>	<b>60,702</b>	<b>-0.2%</b>	<b>61,865</b>	<b>1.9%</b>

The Water System capital labor budget is slightly lower in FY14 by \$0.14 million or 0.2% and will increase by \$1.2 million or 1.9% in FY15. The increase in FY15 is primarily attributable to labor-related costs such as employee benefit cost increases for health care and the District's contribution to the Retirement System and additional labor costs for scheduled salary step increases.



## Capital Program Highlights

The FY14-18 Water System Capital Improvement Program (CIP) requires \$914.6 million in project appropriations, excluding administrative and general expenses. This represents a \$151.3 million increase or 20% from the FY12-16 CIP and is primarily due to increased appropriation needs of the Extensions & Improvements and Water Supply strategies.

In accordance with the District's ten-year capital budget planning horizon, approximately \$1.5 billion has been tentatively identified for FY19-23. Key aspects of this future work are discussed in the program and project summaries below. These future year estimates will be revised as studies are completed, priorities are redefined, and as new needs emerge. Therefore, the focus of the capital budget is on the first five years of the CIP.

The table below summarizes the appropriations by Strategy.

<b>FY12-16 vs. FY14-18 Appropriation Capital Improvement Program by Strategy (\$000's)</b>					
<b>Strategy</b>	<b>FY12-16</b>	<b>FY14-18</b>	<b>Change</b>		<b>% of</b>
	<b>Appropriation</b>	<b>Appropriation</b>	<b>\$</b>	<b>%</b>	<b>FY14-18</b>
Emergency Preparedness *	0	0	0	0%	0%
Extensions & Improvements	90,728	225,688	134,960	149%	25%
Facilities, Services & Equipment	41,303	41,113	-190	0%	4%
Maintaining Infrastructure	495,631	443,135	-52,496	-11%	48%
Regulatory Compliance	52,258	42,003	-10,255	-20%	5%
Resource Management	6,026	10,796	4,770	79%	1%
Water Quality	11,667	24,064	12,397	106%	3%
Water Supply	60,294	105,525	45,231	75%	12%
Non-Program Specific	5,417	22,317	16,900	312%	2%
<b>Water System Total</b>	<b>763,324</b>	<b>914,641</b>	<b>151,317</b>	<b>20%</b>	<b>100%</b>

\* No new appropriation is required but prior appropriations will be used.

The Water System appropriations for the Maintaining Infrastructure strategy comprise almost 50% of the appropriations, and the Extensions & Improvements strategy another 25%. All water system strategies are summarized below, with select programs and projects discussed in more detail.

## EMERGENCY PREPAREDNESS STRATEGY

This strategy furthers the District's objectives to maintain and improve the infrastructure to ensure delivery of reliable, high quality service now and in the future. In 1994, the Seismic Improvement Program (SIP) was adopted to take a comprehensive approach to mitigate earthquake risk to the water system. The program included in this strategy is:

Appropriations (\$000's)						
Programs	FY14	FY15	FY16	FY17	FY18	Total
Seismic Improvement Program	0	0	0	0	0	0
<b>Total Strategy</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Seismic Improvement Program

The objective of this program is to strengthen and upgrade the District's water treatment and distribution system to ensure post earthquake water service. The program included upgrades to more than 250 critical facilities including reservoirs, pipelines, pumping plants, water treatment plants, etc. throughout the District. The program also included the Southern Loop Pipeline which connects the water systems between San Ramon and Castro Valley to provide operational redundancy, and improvements to the Claremont Tunnel which crosses over the Hayward Fault. While the program has been substantially completed, seismic work continues to strengthen and protect the water delivery system. In FY13, seismic upgrades to the Berryman South Reservoir in Oakland were completed. In FY14-15, isolation valves will be installed at two reservoirs using prior appropriations. Seismic work is also included in other programs. No new appropriations are being requested.

## EXTENSIONS & IMPROVEMENTS TO THE SYSTEM STRATEGY

This strategy furthers the District's objectives to improve the infrastructure to ensure reliable, high quality service, and update and enhance the District's system modeling capabilities. The majority of work under this strategy focuses on making improvements to various components of pressure zones such as pipelines, reservoirs, pumping plants and water treatment plants to improve system reliability for existing customers, and to provide service to new customers within the Ultimate Service Boundary. The programs included in this strategy are:

Appropriations (\$000's)						
Programs	FY14	FY15	FY16	FY17	FY18	Total
Mapping Program	1,026	1,462	1,509	1,558	1,608	7,163
OP/NET Program	1,050	2,184	2,685	1,463	1,534	8,916
Pressure Zone Improvements Program	10,796	12,197	15,806	2,157	43,111	84,067
Walnut Creek - San Ramon Valley Improvements Program	0	0	0	0	0	0
Walnut Creek - San Ramon Valley In-Zone Improvements Program	0	2,861	0	0	0	2,861
Water Treatment and Transmission Improvements Program	14,617	12,202	4,895	74,029	16,939	122,682
<b>Total Strategy</b>	<b>27,489</b>	<b>30,906</b>	<b>24,895</b>	<b>79,207</b>	<b>63,192</b>	<b>225,689</b>

### Pressure Zone Improvements Program

The Pressure Zone Improvements Program addresses systematic improvements to the District's 123 pressure zones. It includes studying the highest priority zones for improvements due to the need to rehabilitate and upgrade facilities. Improvements include upgrading or replacing reservoirs, pumping plants and transmission systems to increase storage capacity and improve water quality. The following pressure zone work is planned in FY14-18:

- Almond/Fire Trail in Castro Valley – planning of storage improvements in FY13-14, and design and construction in FY15-18;
- Central Oakland Hills Cascade in Oakland – construction of the Estates Reservoir replacement in FY12-14, and design and construction of the 39<sup>th</sup> Avenue/Redwood Pumping Plant rehabilitation project in FY13-14.
- Leland in Lafayette/Walnut Creek – completion of a facilities plan, environmental documentation and design of the Leland Reservoir in FY14-18;
- Maloney in El Sobrante - design and construction of the improvements to the Maloney Pumping Plant and Selby Reservoir in FY15-18;
- Summit in Berkeley – design and construction of Summit Reservoir, Woods Pumping Plant and Shasta Pumping Plant replacement in FY14-17; and
- West of Hills Transmission Improvements – planning and environmental documentation for 23 recommended projects under the Master Plan in FY14-18; and design of North and South Wildcat Aqueduct pipe improvements and South 30 pipeline improvements in FY16-19. The first phase of water treatment plant upgrades will be performed under the Water Treatment and Transmission Improvements Program beginning in FY16.

In FY19-23, the following pressure zone work is planned:

- Central Oakland Hills Cascade in Oakland – design and construction of the 39<sup>th</sup> Avenue Reservoir replacement in FY19-20.
- Leland in Lafayette/Walnut Creek – design and construction of outage facilities and replacement tanks FY19-23.
- Maloney in El Sobrante – design and construction of improvements to Crockett Pumping Plant Discharge Pipeline and Crockett Pumping Plant in FY20-23
- Summit in Berkeley – design and construction of a new Lawrence Reservoir in FY19-21; and
- West of Hills Transmission Improvements – design and construction for the first phase of water treatment plant upgrades will be completed under the Water Treatment and Transmission Improvements Program in FY16-21.

### **Water Treatment and Transmission Improvements Program**

The Water Treatment and Transmission Improvements Program (WTTIP) calls for new facilities and upgrades of existing facilities to meet current and projected water demands. WTTIP will more efficiently meet current and future regulatory standards related to both source water and treated water quality; comply with environmental permit conditions; and replace and upgrade aging infrastructure.

The program includes distribution improvements in the Lafayette, Orinda, Moraga and western Walnut Creek area including: a new Happy Valley Pumping Plant and associated pipeline in Orinda in FY14-16; a new Sunnyside Pumping Plant in Lafayette in FY15-17; and a new Ardith Reservoir and Donald Pumping Plant in Orinda in FY15-17. The project also includes: a 3.0 million gallon per day (MGD) Withers Pumping Plant (PP) in Lafayette in FY17-18; upgrades to the Fay Hill PP in Moraga which includes replacing 500 feet of 12-inch pipeline in Rheem Boulevard and replacing or relining the 2.5 MG Fay Hill Reservoir in FY15-18; constructing 1,525 feet of 12-inch pipeline in Glen Road and Nordstrom Lane in Lafayette in FY17-18, which allows decommissioning of the Glen Reservoir; and replacing or relining the 11.5 MG Moraga Reservoir in FY16-18.

The program also includes new facilities and upgrades to the District's Water Treatment Plants (WTPs) including: ozone upgrades at Sobrante WTP in El Sobrante and Upper San Leandro WTP in Oakland starting in FY14; backwash water system improvements and a chlorine contact basin at the Sobrante WTP starting in FY17; and rebuilding the filters starting at the Walnut Creek WTP in FY18.

WTTIP is projected to be one of the District's most significant programs in the FY19-23 timeframe. Planned projects include a new filter-to-waste equalization basin at the Upper San Leandro WTP in Oakland, a membrane filtration pilot plant at the Lafayette WTP, and the design of upgrades to the entire Lafayette WTP.

## FACILITIES, SERVICES & EQUIPMENT STRATEGY

This strategy furthers the District's objectives to ensure the security of the water supply and the water system; to evaluate facilities and implement corrective maintenance programs; to implement changes in technology; and to maintain a safe, well equipped workplace. Work associated with this strategy includes making security improvements at various facilities, implementing new computer systems, and replacing old vehicles and equipment. The programs included in this strategy are:

Appropriations (\$000's)						
Programs	FY14	FY15	FY16	FY17	FY18	Total
Area Service Center/Building Program	3,967	2,262	2,082	1,377	224	9,912
Communications Program	4,300	50	1,450	1,850	250	7,900
Security Program	0	0	0	2,350	0	2,350
Vehicle/Equipment Program	4,893	3,509	3,311	5,638	3,600	20,951
<b>Total Strategy</b>	<b>13,160</b>	<b>5,821</b>	<b>6,843</b>	<b>11,215</b>	<b>4,074</b>	<b>41,113</b>

### Area Service Center/Building Program

The Area Service Center/Building Program is comprised of various projects that upgrade and make improvements to various District buildings such as service centers and administrative buildings. In FY14-18, the focus will be on the Oakland Administration Building.

FY14-18 work includes replacement of the Fire Alarm and Life Safety System; replacement of the roofing and waterproofing on the terraces and roof; upgrades to the boilers for greater energy efficiency; replacement of the Data Center power distribution unit; replacement of audio visual equipment in the board room; replacement of the uninterruptible power supply unit in the data center; replacement of the air conditioners in the computer server rooms; replacement of the chiller systems on the 10th floor; upgrades to the elevator controls; replacement of the cooling tower; and space planning to reconfigure underutilized areas. Future work includes power feed and distribution improvements; energy efficiency projects such as replacing the light fixtures; and replacing building system controls.

### Communications Program

The Communications Program is comprised of projects that replace and upgrade computer and communication systems. In FY13-14, the 25 year old Materials Management Information System (MMIS) that is used for purchasing and accounting purposes will be evaluated for replacement, along with the PeopleSoft Human Resources Information System (HRIS). Selecting a replacement for MMIS and HRIS is scheduled for FY14, followed by implementation of the new systems. Replacing the PeopleSoft Financial Information System (FIS) will be considered in FY16. In FY14, the Contact Center call management system will be replaced, and an updated IVR (Interactive Voice Response) system developed. In FY16-19, upgrade will begin to the networking cables and equipment at locations outside of the Administration building in preparation for implementation of Voice over IP (VoIP) phone system.

### Security Program

The Vulnerability Assessment Security System Improvements Project includes implementation of critical security improvements to water supply, transmission, treatment, distribution, maintenance and administration facilities. The project provides for improvements to numerous facilities including fencing, lighting, alarms, video monitors and card readers. Work in FY14-18

includes: security improvements for Claremont Center in Oakland; planning and design of security improvements for Pardee and Camanche Powerhouse Warehouses; new access control gates for the Oakport Storage facility in Oakland and Castenada Service Area in San Ramon; and miscellaneous security improvements to various facilities as needed to address regulatory requirements and personnel safety concerns. Future work includes security improvements at the aqueduct facilities and at the six water treatment plants.

### **Vehicles & Equipment Program**

The Vehicle Replacements Project is ongoing and involves the replacement of construction equipment and vehicles. In FY14-18, the program includes replacing vehicles and construction equipment as needed; upgrading the District's fuel facilities to enhanced vapor recovery for the above ground storage tanks and prevent fuel from entering storm drains; upgrading the fuel management system to improve the District's ability to track vehicle fuel usage and mileage readings; and retrofit or replace diesel engines and equipment to meet fleet emissions averages established by new regulations. Aspects of these projects will continue in FY19-23.

## MAINTAINING THE INFRASTRUCTURE STRATEGY

This strategy furthers the District's objectives to implement preventative and corrective maintenance programs, and to maintain and improve the infrastructure to ensure delivery of reliable, high quality water service now and in the future. The majority of work under this strategy focuses on pipeline projects to enable the District to improve system reliability for existing customers, and to provide service to new customers within the Ultimate Service Boundary. The programs included in this strategy are:

Appropriations (\$000's)						
Programs	FY14	FY15	FY16	FY17	FY18	Total
Corrosion Program	50	500	470	470	500	1,990
Electrical Hazard Prevention Program	0	60	185	287	223	755
Pipelines/Appurtenances Program	5,685	11,779	15,633	16,475	17,422	66,994
Pipelines/Regulators Program	62,236	51,800	52,190	45,972	43,889	256,087
Polybutylene Lateral Replacement Program	9,147	10,890	10,898	10,753	9,495	51,183
Pumping Plant Rehabilitation Program	14,550	6,745	3,867	5,742	8,620	39,524
Reservoir Rehabilitation Program	0	1,304	10,112	3,097	12,090	26,603
<b>Total Strategy</b>	<b>91,668</b>	<b>83,078</b>	<b>93,355</b>	<b>82,796</b>	<b>92,239</b>	<b>443,136</b>

### Pipelines/Appurtenances Program

This program maintains efficient pipeline operations by replacing appurtenances such as valves, lead service connections, hydrants and meters at the end of their useful life. The New Service Installations Project is an ongoing project to install services for new customers, and to replace old services at the end of their useful life. Services include taps on the main, laterals, and meter sets. Housing trends have reduce the need for installations at new developments as the number of new services installed dropped from 1,300 in FY08 to under 600 in FY09. The number of new service installations planned in FY14-15 totals 300 per year and replacements of existing services totals 600 per year. In FY16-18 the number of new service installations is expected to increase to 500 per year and the replacement of existing services is expected to increase to 800 per year. The Meter Replacement Project is an ongoing project to replace water meters and boxes at the end of their useful life, and to replace meters that are believed to be reading low. In FY12, 11,404 residential meters, 129 small commercial meters and 26 large commercial meters were replaced. This level of replacement is expected to continue. 200 large commercial meters remain to be replaced at a rate of 30 annually through FY17 to improve accuracy.

### Pipelines/Regulators Program

Pipelines/Regulators is an ongoing program to meet the pipeline replacement and expansion needs of the distribution system. This program has the largest budget over the next five years. Pipeline System Improvements is an ongoing project to enhance the distribution system primarily for existing customers by improving water quality, system performance, capacity and reliability. In FY14-15, planned work includes 1.5 miles of pipeline improvements per year, including 0.5 miles per year to replace 4-inch diameter mains throughout the District. The planned work includes improvements in Keith and Euclid Avenue in Berkeley, El Portal Drive in Richmond, Fontaine Street in Oakland and 173rd/174th Avenue in Castro Valley. In FY16-18, work includes 1.0 miles per year of pipeline system improvements and 0.5 miles per year of 4-inch replacements.

Pipeline System Extensions is an ongoing project to serve new customers via Applicant Extension Agreements. Annual workload is estimated from projections of land development activity and trends in water service estimate activity in the New Business Office. The District averaged 12 miles of system extension per year with 2 miles installed by District Forces. However, demand has been reduced due to the current economic downturn. In FY14-16, work includes 6 miles per year, increasing to 8 miles in FY18, with District forces installing 2 miles each year. The remaining larger system extensions are installed by applicants.

Pipeline Infrastructure Renewals is an ongoing project to replace deteriorating water distribution pipelines. Pipelines for renewal are identified primarily through the evaluation of maintenance histories. In FY12-13, approximately 8 miles per year of pipeline replacements were constructed. FY14-15 work includes construction of 10 miles of pipeline replacements per year and development of an asbestos cement (AC) pipeline replacement plan. FY16-18 work includes construction of 11 miles of pipeline replacements per year. This project also includes an AC Pipe Study and Replacement program which will implement a testing program and investigate alternative AC pipe rehabilitation methods to identify cost effective replacement strategies. The study will also address water quality optimization to extend the service life of AC pipe. The District is collaborating with the Water Research Foundation to complete this study. In FY14, the AC Pipe Study will be completed and starting in FY15 the District will begin the replacement/rehabilitation of AC Pipes based on the study's recommendations.

Large Diameter Pipelines is an ongoing project to replace the large pipes that form the backbone of the distribution system, and to conduct condition assessments. FY14-15 planned work includes the design and construction of the remaining portion of Lincoln Avenue Pipeline in Alameda, MacArthur/Davenport pipelines and Grand Ave. in Oakland; construction of the Dingee Pipeline and part of Aqueducts at Claremont Center in Oakland; final planning and design for the Webster/Alice Estuary Crossing in Alameda/Oakland and R/W 778/Mario Way in Lafayette; pre-design for East 15<sup>th</sup> Street and International Blvd. in Oakland; and completion of the master plan. In FY16-18, work includes the final construction of MacArthur/Davenport in Oakland, Aqueducts at Claremont Center in Oakland, Webster/Alice Estuary Crossing in Alameda/Oakland, and R/W 778/Mario Way in Lafayette; planning, design, and construction for East 15<sup>th</sup> Street in Oakland, International Blvd. in Oakland, Judy Lane in Lafayette, D Street in Oakland and Dwight Way/UC Field in Berkeley/Oakland.

### **Polybutylene Lateral Replacement Program**

This program was established to manage the cost-effective replacement of defective polybutylene service laterals. Litigation associated with the recovery of repair costs was completed in 2009. This project includes failed (emergency) replacements of broken laterals, pre-emptive (planned) replacements of laterals in areas suffering high failure rates, and opportunistic (incidental) replacements when laterals are uncovered during the course of other pipeline repair work. Approximately 1,879 polybutylene laterals were replaced by District crews in FY12. The current strategy is to continue replacing laterals when failures occur and to pre-emptively replace laterals on a planned basis where cost-effective opportunities arise.

### **Pumping Plant Rehabilitation Program**

The goal of the Distribution Pumping Plant Infrastructure Rehabilitation Plan (IRP) Program is to upgrade and repair the facilities that have the most critical rehabilitation needs. The IRP was updated in 2012 and identifies the 44 highest priority facilities for rehabilitation, and six facilities for pit piping repair. In FY14-18, work includes design and construction at 25 pumping plant facilities and ongoing Arc Flash Mitigation. In FY14-15, design and rehabilitation of pumping



plants includes: Almond in Castro Valley, Danville No. 1 & 2 in Walnut Creek/Danville, Diablo Vista in Lafayette, Redwood in Oakland, Skyline in Oakland and Encinal in Orinda. Future work will include design and construction of the remaining priority rehabilitation projects, as well as on new projects added to the program priority list.

### **Reservoir Rehabilitation Program**

This program maintains the integrity of the District's distribution reservoirs by preventing and mitigating corrosion, improving water quality and extending the useful life of the reservoirs. The Reservoir Rehabilitation and Maintenance Project maintains and extends the service lives of the District's 83 steel and 59 reinforced concrete distribution tanks by replacing coating systems, installing and/or repairing cathodic protection systems, repairing or replacing roof systems, and performing structural upgrades. In FY14-18, the program will focus on rehabilitating three to four steel reservoirs each year. The reservoir roof safety program will continue in FY14-18. Beyond FY18, steel reservoir rehabilitations will continue at a rate of three per year and the following additional concrete reservoirs will be rehabilitated based on the priorities identified in the reservoir infrastructure rehabilitation plan: Proctor No. 1 in Castro Valley, Jensen in Castro Valley, Peralta in Oakland, Madrone in Oakland, and Argyle No. 1 in El Sobrante.

The Open Cut Reservoir Rehabilitation Project develops outage plans and rehabilitates the 19 open-cut reservoirs in the distribution system. Projects address structural integrity, worker safety, operational reliability, regulatory requirements and water quality issues. In FY14-18, planning and design will begin for the replacement of San Pablo Clearwell in Kensington, Central Reservoir in Oakland, and North Reservoir in Richmond. Beyond FY18, rehabilitation projects are planned for Claremont Reservoir in Berkeley and Upper San Leandro Clearwell in Oakland. Additional open-cut reservoir projects such as Summit in Berkeley/Kensington, Almond in Castro Valley, Leland in Lafayette, and 39<sup>th</sup> Avenue in Oakland are funded through the Pressure Zone Improvement and WTTIP Projects.

## REGULATORY COMPLIANCE STRATEGY

This strategy furthers the District's objectives to operate and maintain facilities to meet all air, land and water discharge requirements; implement preventative and corrective maintenance programs; and improve the infrastructure to ensure delivery of reliable, high quality service now and in the future. The work under this strategy focuses on dam safety improvements and modifications to reservoir towers. The programs included in this strategy are:

Appropriations (\$000's)						
Programs	FY14	FY15	FY16	FY17	FY18	Total
Dam Safety Program	1,416	400	10,900	20,500	0	33,216
Penn Mine Program	43	13	20	20	21	117
Remediation Program	0	0	750	2,600	0	3,350
Trench Spoils Program	0	4,000	0	650	670	5,320
<b>Total Strategy</b>	<b>1,459</b>	<b>4,413</b>	<b>11,670</b>	<b>23,770</b>	<b>691</b>	<b>42,003</b>

### Dam Safety Program

The program upgrades dams, outlet towers, clearwells and spillways to meet earthquake and flood safety requirements. The Dam Seismic Upgrades Project includes seismic evaluations and dam freeboard increases to improve seismic safety. In FY12-13, evaluations were completed for the 39th Avenue Dam and Pardee Dam and Spillway. Evaluations are planned for Moraga Reservoir, Dunsmuir Reservoir in Oakland, Leland Reservoir in Lafayette, and Sobrante Clearwell.

Dam freeboard has been increased by making structural modifications to the spillways at North Dam in Richmond, Estates Dam in Oakland, and Danville Dam; and operational modifications at Maloney Dam in Pinole, Moraga Dam, San Pablo Clearwell in Kensington and Estates Dam in Oakland. Operating levels have been lowered at Maloney and Leland Reservoirs in Lafayette to achieve adequate freeboard until they can be removed from service to construct spillway modifications. Seismic upgrade of Chabot Dam in San Leandro is expected to be completed in FY16. Upgrades are planned at Camanche Dam in FY16-19.

The Reservoir Tower Modifications Project provides for evaluating and retrofitting six reservoir towers to withstand the effect of seismic events. A stability analysis has been conducted for the Upper San Leandro Tower, and upgrades to the tower and access road are planned for FY14-16. Lafayette Tower includes seismic and gate control upgrades, and modification of the tower to act as a spillway capable of handling the revised Probable Maximum Flood. Design and construction is planned for FY14-15. A recent analysis of the Briones Tower concluded that it will require upgrades which are planned to take place in FY15-18. Design and construction of retrofits to Chabot Tower are planned to start in FY15 as part of the Chabot Dam seismic upgrade. The Pardee Reservoir outlet tower was evaluated in FY13.

### Remediation Program

The Upcountry Wastewater Treatment Improvements Project includes upgrades to the wastewater collection, treatment and disposal systems serving Pardee Center, Pardee Recreation Area and Camanche South and North Shore Recreation Areas. FY14-18 priorities include sewer collection system improvements at the Pardee Recreation Area RV Park, and rehabilitation of the Camanche South Shore Mobile Home Park sewer collection system. Additional sewer system improvements will be made outside the five year window.

## RESOURCE MANAGEMENT STRATEGY

This strategy furthers the District's objectives to manage the Mokelumne and East Bay watersheds to ensure a high quality water supply; protect natural resources; provide public access and recreational opportunities compatible with water quality and natural resource protection; and prepare master plans to protect natural resources and ensure drinking water quality. Work under this strategy focuses on making improvements to recreational facilities at Camanche and Pardee Reservoirs, and updating habitat conservation and watershed management plans. The programs included in this strategy are:

Appropriations (\$000's)						
Programs	FY14	FY15	FY16	FY17	FY18	Total
Recreation Areas Program	300	1,888	0	0	0	2,188
Watershed Recreation Program	1,641	2,406	2,392	1,284	885	8,608
<b>Total Strategy</b>	<b>1,941</b>	<b>4,294</b>	<b>2,392</b>	<b>1,284</b>	<b>885</b>	<b>10,796</b>

### Recreation Areas Program

The Camanche Recreation Area Upgrades Project provides campground and road improvements. Improvements at four campgrounds will include site drainage and storm water management; new parking spurs; rehabilitation of roads with recycled asphalt grindings; new signage and striping for traffic control; and new picnic tables and fire rings. In FY14, design will be initiated for the South Shore campground improvements and day use roads, with construction to be completed in FY15.

The Pardee/Camanche Recreation Area Improvements Project will upgrade the water, electrical, and wastewater utilities; and the roads and parking spurs at the Pardee RV campground in FY14-15 to meet regulatory requirements. This project will be coordinated with sewer improvements under the Upcountry Wastewater Improvements project to achieve cost efficiencies. The fueling facilities will be upgraded in FY16, and road repairs at Camanche will be addressed in FY17.

### Watershed Recreation Program

This program provides for purchasing, protecting and enhancing the District's watershed lands including trails and recreation facilities in support of visitors, water quality and the environment. In FY14-18, recreation area projects include parking lot and trail staging area improvements around the Orinda watershed; completion of the parking lot, visitor center and dock upgrades at the Lafayette recreation area; and improvements at the San Pablo recreation area including water and sewer system upgrades, roadway improvements, replace sections of the boat rental docks, and improvements to the visitor center cafe.

In FY14-18, watershed projects include habitat restoration under the East Bay Habitat Conservation Plan; replace or upgrade the sewer lift station infrastructure at the Lafayette Recreation Area; replace as needed old fire pumps used for fire prevention and suppression to maintain a fleet of fire ready engines; identify and remove hazardous trees; replace sections of the Mokelumne watershed boundary fencing; infrastructure upgrades at the Orinda Watershed Headquarters; and Division of Safety of Dams required upgrades at Upper San Leandro and San Pablo Reservoir dams.

## WATER QUALITY STRATEGY

This strategy furthers the District's objectives to operate and maintain facilities to surpass federal and state drinking water regulations, and to make system improvements that meet or surpass regulatory requirements. The majority of work under this strategy focuses on making improvements to reservoirs and water treatment plants to improve water quality. The programs included in this strategy are:

Appropriations (\$000's)						
Programs	FY14	FY15	FY16	FY17	FY18	Total
Water Quality Improvement Program	290	55	500	0	0	845
Water Treatment Upgrade Program	6,316	5,401	3,288	6,660	1,554	23,219
<b>Total Strategy</b>	<b>6,606</b>	<b>5,456</b>	<b>3,788</b>	<b>6,660</b>	<b>1,554</b>	<b>24,064</b>

### Water Treatment Upgrade Program

The Treatment Plant Upgrades Project addresses the need to rehabilitate and modernize the water treatment plants (WTPs). In FY14-18, work is planned at five WTPs. At Lafayette WTP work includes a new clearwell and filter backwash system, electrical upgrades, backwash pump improvements, filters underdrain repair, air scour and particle counter installation and design of a new control system. At Orinda WTP work includes construction of a new filter backwash tank, installation of chemical feed lines, control system upgrade, retrofit of the sodium hypochlorite room, emergency power supply improvements, installation of a permanent emergency generator at the Briones Remote Disinfection Facility, design of an air scour system, and storm drain and ventilation system improvements. At Sobrante WTP work includes electrical upgrades, filter underdrain repair, control system upgrade, drainage improvements, sludge pipeline replacement, design of a new flocculation system, installation of a potassium permanganate feed system, and automation of the hydrogen peroxide feed system. At Upper San Leandro WTP work includes sludge detention tanks recoating, flocculation system repair, automation of the hydrogen peroxide feed system, property improvements at the West Portal Raw Water Valve, and clearwell roof replacement. At Walnut Creek WTP work includes a project to thicken the sludge by installing a hydrocyclone to save energy and reduce sludge trucking.

FY19-23 work includes transformer relocation, chemical system improvements, and backwash equalization basin improvement at Lafayette WTP; filter underdrains repair and stop logs installation in the applied channel at Sobrante WTP; filter isolation stop logs installation, control system upgrades and Trac Vac replacement at Upper San Leandro WTP; and actuator installation at the West Portal Raw Water Valve.

## WATER SUPPLY STRATEGY

This strategy furthers the District's objectives to ensure a reliable, high quality water supply for the future; to preserve current entitlements and obtain additional supplemental supplies; and through conservation and recycling reduce the demand for potable water. Major projects that have recently been completed are the Freeport Regional Water Project to provide a supplemental dry-year water supply, and the Richmond Advanced Recycled Expansion Water Project. The immediate focus of this strategy will now be maintaining the raw water aqueducts. The programs included in this strategy are:

Appropriations (\$000's)						
Programs	FY14	FY15	FY16	FY17	FY18	Total
Aqueduct Program	12,433	3,841	46,609	10,146	9,218	82,247
Supply Reservoirs Program	2,795	1,163	1,146	1,252	1,760	8,116
Water Conservation Program	2,615	2,695	2,795	2,900	3,010	14,015
Water Recycling Program	544	143	148	153	159	1,147
Water Supply Management Program	0	0	0	0	0	0
<b>Total Strategy</b>	<b>18,387</b>	<b>7,842</b>	<b>50,698</b>	<b>14,451</b>	<b>14,147</b>	<b>105,525</b>

### Aqueduct Program

This program consists of evaluating and improving the raw water aqueduct system to reliably meet operational requirements. Ongoing work to remove lead-based paint and recoat portions of the ten miles of above-ground pipe of the Mokelumne Aqueducts and is projected to be completed in FY18. The program also includes replacing the deteriorated cement lining in the Mokelumne Aqueducts that protects the steel pipeline from corrosion. In FY14-16, work includes an assessment of relining technologies and interior inspections of the elevated Delta reaches of the No. 2 and No. 3 Aqueducts. Relineing the aqueducts is planned to begin in FY17.

In FY12-13, 20 isolation bearings on Aqueduct No 3 were investigated and repaired, and 3 temperature anchors were rebuilt on Aqueduct No 1. In FY14-15, a study and design for the remaining 220 isolation bearings and rebuilding 4 temperature anchors will be completed. In FY16-17, the isolation bearings will be repaired and the temperature anchors will start to be rebuilt at a rate of 2 per year.

Much of the work on the Aqueduct Interconnections Project has been done, and in FY15 the work is expected to be completed. In FY14-15, work includes inspection and emergency planning for Lafayette Aqueduct No. 2; inspection of the Upper San Leandro tunnel; annual settlement surveys of Aqueduct No. 1; and electrical and geotechnical studies for work at the Moraga Raw Water Pumping Plant. In FY16-18, work includes stocking repair material for Lafayette No. 2 Aqueduct; completion of electrical upgrades at Briones Center; final design of a river bypass turnout for Aqueduct No. 3; preliminary studies for a cross-Delta tunnel; and inspection of the Pardee tunnel.

Beyond FY18, planned work includes completing the temperature anchor retrofit, installing river bypass turnouts on Aqueduct No. 3, and installing a liner in Lafayette No. 1 Aqueduct.

### Water Recycling Program

In 2009, the Board of Directors adopted the revised Water Supply Management Program (WSMP) to help guide decisions for providing a reliable, high quality water supply and meet

growing demand through the year 2040. The WSMP 2040 includes recycled water as a key element to offset demand for potable water. The Water Recycling Program includes projects to provide a total of 11 million gallons per day (MGD) of recycled water by the year 2040.

The East Bayshore Project began recycled water service in FY08 and will ultimately supply up to 2.5 MGD of recycled water to portions of Alameda, Albany, Berkeley, Emeryville and Oakland for irrigation, industrial, commercial and environmental uses. The remainder of the Phase 1A project (I-80 pipeline, distribution pipelines in Berkeley and Albany, and customer retrofits) could be completed by FY16 pending funding availability, and will provide roughly 0.5 MGD of recycled water. The Phase 1A project received a \$4.4 million grant and a \$20.1 million low-interest loan funding from the State Water Resources Control Board in FY09. Phase 1B of the project will provide an estimated 1.2 MGD of recycled water to Alameda and will be implemented in FY15-19, pending funding assistance.

The San Ramon Valley Recycled Water Program is a joint program with the Dublin San Ramon Services District to ultimately supply 2.4 MGD of recycled water to portions of San Ramon, Danville, Blackhawk and surrounding areas. Portions of the project to extend recycled water service to northern San Ramon/Bishop Ranch, and work in Danville and Blackhawk began in FY11 with federal funding. Efforts in FY14-18 will focus on completing customer retrofits, completing a portion of the Phase 2 pipelines in Bishop Ranch, and planning and determining a site for Pump Station 3. Funds for future phases are pending federal funding availability. Expansion of the tertiary treatment facilities is anticipated by FY19.

Planning studies are being conducted with the Diablo Country Club and other golf courses to evaluate potential satellite treatment plants. Diablo Country Club has completed a feasibility study and is interested in helping to fund a pilot plant to be implemented by FY18. Additional satellite treatment projects at other sites will be pursued.

Long-term water recycling projects that may take place in FY18 and beyond include expansion of the San Leandro project to expand recycled water delivery to large street medians near the Oakland Airport by an additional 0.5 MGD, and the ConocoPhillips High-Purity Recycled Water Project that could provide 3.7 MGD of recycled water for boiler and cooling tower applications.

### **Water Supply Management Program**

Per the WSMP 2040 preferred portfolio, EBMUD will pursue supplemental water supply efforts that include Mokelumne Regional Projects, Sacramento Basin Ground Water Banking, Regional Desalination, Water Transfers, and partnering on the Expand Los Vaqueros Reservoir.

A water transfers implementation plan has been completed which lays the groundwork for future transfers by establishing criteria and recommending water transfers to pursue. Work has begun with other Bay Area water agencies to plan and review the feasibility of a potential Regional Desalination Project. Moving forward in FY14-18, EBMUD will work to secure agreements for long-term water transfers with the goal of completing one or more negotiations with the most promising sellers. In addition, EBMUD will begin negotiations with the Contra Costa Water District for a share of the storage in their expanded Los Vaqueros Reservoir, and will continue preliminary planning efforts to develop other supplemental supply elements of the WSMP 2040.

## NON-PROGRAM SPECIFIC STRATEGY

This strategy furthers the District's objective to maintain a strong financial position to meet short and long-term needs. The contingency program focuses on making funds available for unanticipated needs, and for projects that are seeking grants to pay for a majority of the project's cost.

Appropriations (\$000's)						
Programs	FY14	FY15	FY16	FY17	FY18	Total
Contingency Program	5,104	8,213	3,000	3,000	3,000	22,317
<b>Total Strategy</b>	<b>5,104</b>	<b>8,213</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>22,317</b>

### Contingency Program

The Contingency Project provides funding for unanticipated needs which arise before the next budget preparation cycle, such as replacement or repairs to facilities and equipment as a result of failures or safety deficiencies, and new projects or the acceleration of planned projects requiring funding before the next budget cycle. Funds may also be set aside for projects where grants are being sought in the event that the grant application is successful. Most grants require the District to fund the project and then apply for reimbursement of allowable costs. Funding for possible grant supported projects include: East Bayshore Recycled Water Project; Delta interties and design of pipeline river crossings; and extending recycled water service to northern San Ramon/Bishop Ranch. Funds are also being set aside for moving forward with the replacement of computer systems once comprehensive evaluations have been completed.

At the Board workshop on April 16, 2013, the Board directed staff to incorporate rate increases above those contained in the proposed budget presented on April 9, 2013. Additional funds related to this increase have been added to contingency for FY14-15.

## **Capital Appropriation Summary**

This section provides a summary of the five-year appropriation for the Water System projects listed in the Capital Improvement Program, sorted by strategy and program. When the CIP is presented to the Board of Directors, the Board approves the overall five-year plan, but adopts just the first two years of the plan. The remaining three years are for planning purposes only and are subject to revision.

### **Department Abbreviations**

The abbreviation for the Lead Department responsible for each capital project is as follows:

ADM – Administration Department

ENG – Engineering Department

FIN – Finance Department

ISD – Information Systems Department

MCD – Maintenance & Construction Department

NRD – Natural Resources Department

OSD – Operations & Maintenance Support Department

WOD – Water Operations Department

WRD – Water Resources Department

WRP – Water Recycling Program



Capital Improvement Projects	Lead Dept	Prior Approp	Appropriation					5 Year Total (000's)
			FY2014 (000's)	FY2015 (000's)	FY2016 (000's)	FY2017 (000's)	FY2018 (000's)	
<b>EMERGENCY PREPAREDNESS</b>								
<b>Seismic Improvement Program</b>								
Reservoir Upgrades	ENG	74,062	0	0	0	0	0	0
Transmission System	ENG	7,402	0	0	0	0	0	0
<b>Program Total</b>		<b>81,464</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>EMERGENCY PREPAREDNESS TOTAL</b>		<b>81,464</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>EXTENSIONS/IMPROVEMENTS TO SYSTEM</b>								
<b>Mapping Program</b>								
CAD/CAM System	ENG	27,400	1,026	1,462	1,509	1,558	1,608	7,162
<b>Program Total</b>		<b>27,400</b>	<b>1,026</b>	<b>1,462</b>	<b>1,509</b>	<b>1,558</b>	<b>1,608</b>	<b>7,162</b>
<b>Op/Net Program</b>								
OP/NET System	WOD	19,888	1,050	2,184	2,685	1,463	1,534	8,916
<b>Program Total</b>		<b>19,888</b>	<b>1,050</b>	<b>2,184</b>	<b>2,685</b>	<b>1,463</b>	<b>1,534</b>	<b>8,916</b>
<b>Pressure Zone Improvements Program</b>								
Almond/Fire Trail Pressure Zone Improvements	ENG	324	0	10,910	0	0	0	10,910
Central Oakland Hills Cascade Pressure Zone Improve	ENG	25,816	0	0	922	454	2,944	4,320
Colorados Pressure Zone Improvements	ENG	155	0	0	0	726	0	726
Distribution System Upgrades	ENG	4,060	507	787	518	524	530	2,866
Enterprise Hydraulic Water Quality & Oper Modelling	ENG	0	0	500	0	0	0	500
Leland Pressure Zone Improvements	ENG	7,181	0	0	0	0	0	0
Madrone/Palo Seco Pressure Zone Improvements	ENG	221	0	0	0	0	1,940	1,940
Maloney Pressure Zone Facility	ENG	26,309	0	0	0	0	0	0
Pressure Zone Planning Program	ENG	2,684	0	0	0	0	0	0
Purdue Pressure Zone Improvements	ENG	5,000	0	0	0	0	0	0
Summit Pressure Zone Improvements	ENG	40,259	0	0	0	0	0	0

Capital Improvement Projects	Lead Dept	Prior Approp	Appropriation					5 Year Total (000's)
			FY2014 (000's)	FY2015 (000's)	FY2016 (000's)	FY2017 (000's)	FY2018 (000's)	
Upper San Leandro Pressure Zone Improvements	ENG	542	130	0	0	0	0	130
Water Demand Projection Update	ENG	300	0	0	0	0	550	550
West of Hills Transmission	ENG	26,773	10,159	0	14,366	453	37,147	62,125
<b>Program Total</b>		<b>139,624</b>	<b>10,796</b>	<b>12,197</b>	<b>15,806</b>	<b>2,157</b>	<b>43,111</b>	<b>84,067</b>
<b>WC San Ramon Valley In Zone Improvement Program</b>								
Diablo Pressure Zone Improvements	ENG	7,520	0	2,861	0	0	0	2,861
Round Hill Pressure Zone Improvements	ENG	5,060	0	0	0	0	0	0
<b>Program Total</b>		<b>12,580</b>	<b>0</b>	<b>2,861</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,861</b>
<b>Water Treatment and Transmission Improvement Program</b>								
Moraga Road Pipeline Project	ENG	16,996	0	0	0	0	0	0
Tice Pumping Plant	ENG	1,339	0	0	0	11,150	0	11,150
WTTIP Distribution Improvements	ENG	27,345	0	12,202	4,895	27,779	0	44,876
WTTIP Water Treatment Plant Improvements	ENG	23,214	14,617	0	0	35,100	16,939	66,656
<b>Program Total</b>		<b>68,894</b>	<b>14,617</b>	<b>12,202</b>	<b>4,895</b>	<b>74,029</b>	<b>16,939</b>	<b>122,682</b>
<b>EXTENSIONS/IMPROVEMENTS TO SYSTEM TOTAL</b>		<b>268,386</b>	<b>27,489</b>	<b>30,906</b>	<b>24,895</b>	<b>79,207</b>	<b>63,192</b>	<b>225,688</b>

Capital Improvement Projects	Lead Dept	Prior Approp	Appropriation					5 Year Total (000's)
			FY2014 (000's)	FY2015 (000's)	FY2016 (000's)	FY2017 (000's)	FY2018 (000's)	
<b>FACILITIES, SERVICES &amp; EQUIPMENT</b>								
<b>Area Service Center/Building Program</b>								
Administration Building Modifications	ENG	12,626	1,796	2,037	1,175	600	0	5,608
Buildings Assessment & Improvements	ENG	1,713	2,034	0	120	0	60	2,214
East Area Service Center	ENG	9,440	0	0	0	0	0	0
Meter Test Facility	MCD	0	0	0	0	621	0	621
Minor Facility Improvements	OSD	2,286	137	225	787	156	164	1,469
<b>Program Total</b>		<b>26,065</b>	<b>3,967</b>	<b>2,262</b>	<b>2,082</b>	<b>1,377</b>	<b>224</b>	<b>9,912</b>
<b>Communications Program</b>								
Data & Telecom Infrastructure	ISD	2,323	800	50	250	250	250	1,600
Financial Information System Replacement	ISD	0	0	0	200	1,600	0	1,800
Human Resource Information System Replacement	ISD	500	0	0	1,000	0	0	1,000
Materials Management Information System Replacement	ISD	500	3,500	0	0	0	0	3,500
<b>Program Total</b>		<b>3,323</b>	<b>4,300</b>	<b>50</b>	<b>1,450</b>	<b>1,850</b>	<b>250</b>	<b>7,900</b>
<b>Security Program</b>								
Vulnerability Assessment Security System Improvements	OSD	22,511	0	0	0	2,350	0	2,350
<b>Program Total</b>		<b>22,511</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,350</b>	<b>0</b>	<b>2,350</b>
<b>Vehicle/Equipment Program</b>								
Diesel Engine Retrofit	OSD	3,575	1,260	0	0	1,898	0	3,158
Fueling Facility Upgrades	OSD	4,880	111	109	218	851	243	1,532
Vehicle & Heavy Equipment Additions	MCD	11,043	229	0	0	0	0	229
Vehicle Replacements	MCD	77,256	3,293	3,400	3,093	2,889	3,357	16,031
<b>Program Total</b>		<b>96,754</b>	<b>4,893</b>	<b>3,509</b>	<b>3,311</b>	<b>5,638</b>	<b>3,600</b>	<b>20,950</b>
<b>FACILITIES, SERVICES &amp; EQUIPMENT TOTAL</b>		<b>148,653</b>	<b>13,160</b>	<b>5,821</b>	<b>6,843</b>	<b>11,215</b>	<b>4,074</b>	<b>41,112</b>

Capital Improvement Projects	Lead Dept	Prior Approp	Appropriation					5 Year Total (000's)
			FY2014 (000's)	FY2015 (000's)	FY2016 (000's)	FY2017 (000's)	FY2018 (000's)	
<b>MAINTAINING THE INFRASTRUCTURE</b>								
<b>Corrosion Program</b>								
Aqueduct Cathodic Protection	ENG	2,702	50	270	300	300	330	1,250
Distribution System Corrosion Protection	ENG	8,593	0	0	0	0	0	0
Transmission Mains Cathodic Protection	ENG	1,211	0	230	170	170	170	740
<b>Program Total</b>		<b>12,506</b>	<b>50</b>	<b>500</b>	<b>470</b>	<b>470</b>	<b>500</b>	<b>1,990</b>
<b>Electrical Hazard Prevention Program</b>								
Electrical Hazard Prevention Program	ENG	1,683	0	60	185	287	223	755
<b>Program Total</b>		<b>1,683</b>	<b>0</b>	<b>60</b>	<b>185</b>	<b>287</b>	<b>223</b>	<b>755</b>
<b>Pipelines/Appurtenances Program</b>								
Hydrants Installed by District Forces	ENG	16,450	50	850	1,000	1,050	1,100	4,050
Meter Replacements	MCD	29,149	1,729	1,790	1,853	1,917	1,985	9,274
New Service Installations	ENG	142,710	3,200	8,400	12,000	12,700	13,500	49,800
Pipeline Appurtenances	MCD	8,381	706	739	780	808	837	3,870
<b>Program Total</b>		<b>196,690</b>	<b>5,685</b>	<b>11,779</b>	<b>15,633</b>	<b>16,475</b>	<b>17,422</b>	<b>66,994</b>
<b>Pipelines/Regulators Program</b>								
Large Diameter Pipelines	ENG	33,487	31,266	21,384	11,476	75	1,357	65,558
Pipeline Infrastructure Renewals	ENG	145,183	20,950	23,220	23,948	24,461	24,990	117,569
Pipeline Relocations	ENG	23,373	5,760	2,915	3,135	3,300	3,410	18,520
Pipeline System Extensions	ENG	124,968	0	0	10,000	10,300	10,700	31,000
Pipeline System Improvements	ENG	32,126	1,600	1,631	2,061	3,196	3,272	11,760
Rate Control Station Rehabilitation	ENG	4,425	780	0	1,420	1,800	160	4,160
Regulator Rehabilitation	ENG	11,561	1,880	2,650	150	2,840	0	7,520
<b>Program Total</b>		<b>375,123</b>	<b>62,236</b>	<b>51,800</b>	<b>52,190</b>	<b>45,972</b>	<b>43,889</b>	<b>256,087</b>
<b>Polybutylene Lateral Replacement Program</b>								
Service Lateral Replacements (Polybutylene)	ENG	161,145	9,147	10,890	10,898	10,753	9,495	51,183
<b>Program Total</b>		<b>161,145</b>	<b>9,147</b>	<b>10,890</b>	<b>10,898</b>	<b>10,753</b>	<b>9,495</b>	<b>51,183</b>

Capital Improvement Projects	Lead Dept	Prior Approp	Appropriation					5 Year Total (000's)
			FY2014 (000's)	FY2015 (000's)	FY2016 (000's)	FY2017 (000's)	FY2018 (000's)	
<b>Pumping Plant Rehabilitation Program</b>								
Pumping Plant Rehabilitation	ENG	64,416	12,300	3,200	1,500	3,300	6,100	26,400
Small Capital Improvements	MCD	2,793	2,250	3,545	2,367	2,442	2,520	13,123
<b>Program Total</b>		<b>64,416</b>	<b>14,550</b>	<b>6,745</b>	<b>3,867</b>	<b>5,742</b>	<b>8,620</b>	<b>39,523</b>
<b>Reservoir Rehabilitation Program</b>								
Open-Cut Reservoir Rehabilitation	ENG	39,803	0	1,304	10,112	2,400	1,752	15,568
Reservoir Access Roads	WOD	2,889	0	0	0	0	0	0
Reservoir Rehabilitation/Maintenance	ENG	90,248	0	0	0	697	10,338	11,035
<b>Program Total</b>		<b>132,940</b>	<b>0</b>	<b>1,304</b>	<b>10,112</b>	<b>3,097</b>	<b>12,090</b>	<b>26,603</b>
<b>MAINTAINING THE INFRASTRUCTURE TOTAL</b>		<b>944,503</b>	<b>91,668</b>	<b>83,078</b>	<b>93,355</b>	<b>82,796</b>	<b>92,239</b>	<b>443,135</b>

Capital Improvement Projects	Lead Dept	Prior Approp	Appropriation					5 Year Total (000's)
			FY2014 (000's)	FY2015 (000's)	FY2016 (000's)	FY2017 (000's)	FY2018 (000's)	
<b>REGULATORY COMPLIANCE</b>								
<b>Dam Safety Program</b>								
Dam Operational Upgrades	ENG	6,212	0	0	0	0	0	0
Dam Seismic Upgrades	ENG	23,875	1,416	400	10,900	0	0	12,716
Dam Surveillance Improvements	ENG	6,958	0	0	0	0	0	0
Reservoir Tower Modifications	ENG	16,797	0	0	0	20,500	0	20,500
San Pablo Dam Seismic Modifications	ENG	82,588	0	0	0	0	0	0
<b>Program Total</b>		<b>136,430</b>	<b>1,416</b>	<b>400</b>	<b>10,900</b>	<b>20,500</b>	<b>0</b>	<b>33,216</b>
<b>Penn Mine Program</b>								
Penn Mine	OSD	17,332	43	13	20	20	21	117
<b>Program Total</b>		<b>17,332</b>	<b>43</b>	<b>13</b>	<b>20</b>	<b>20</b>	<b>21</b>	<b>117</b>
<b>Remediations Program</b>								
Upcountry Wastewater Treatment Improvements	OSD	21,300	0	0	750	2,600	0	3,350
<b>Program Total</b>		<b>21,300</b>	<b>0</b>	<b>0</b>	<b>750</b>	<b>2,600</b>	<b>0</b>	<b>3,350</b>
<b>Trench Spoils Program</b>								
Trench Spoils Disposal Sites	ENG	12,648	0	4,000	0	650	670	5,320
<b>Program Total</b>		<b>12,648</b>	<b>0</b>	<b>4,000</b>	<b>0</b>	<b>650</b>	<b>670</b>	<b>5,320</b>
<b>REGULATORY COMPLIANCE TOTAL</b>		<b>187,710</b>	<b>1,459</b>	<b>4,413</b>	<b>11,670</b>	<b>23,770</b>	<b>691</b>	<b>42,003</b>

Capital Improvement Projects	Lead Dept	Prior Approp	Appropriation					5 Year Total (000's)
			FY2014 (000's)	FY2015 (000's)	FY2016 (000's)	FY2017 (000's)	FY2018 (000's)	
<b>RESOURCE MANAGEMENT</b>								
<b>Recreation Areas Program</b>								
Camanche Recreation Area Upgrades	ENG	6,901	0	0	0	0	0	0
Pardee/Camanche Rec Areas Improvement Plan	NRD	1,999	300	1,888	0	0	0	2,188
<b>Program Total</b>		<b>8,900</b>	<b>300</b>	<b>1,888</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,188</b>
<b>Watershed Recreation Program</b>								
Mokelumne Area Watershed Rec HQ Replacement	NRD	3,710	360	190	1,000	0	0	1,550
Mokelumne River and Fish Facility	NRD	2,035	174	488	360	263	285	1,570
Pinole Valley Mitigation Bank	NRD	695	100	100	0	0	0	200
Watershed Recreation Projects	NRD	11,605	1,007	1,628	1,032	1,021	600	5,288
<b>Program Total</b>		<b>18,045</b>	<b>1,641</b>	<b>2,406</b>	<b>2,392</b>	<b>1,284</b>	<b>885</b>	<b>8,608</b>
<b>RESOURCE MANAGEMENT TOTAL</b>		<b>26,945</b>	<b>1,941</b>	<b>4,294</b>	<b>2,392</b>	<b>1,284</b>	<b>885</b>	<b>10,796</b>

<b>WATER QUALITY</b>								
<b>Water Quality Improvement Program</b>								
Distribution System Water Quality Improvements	WOD	14,610	290	55	500	0	0	845
<b>Program Total</b>		<b>14,610</b>	<b>290</b>	<b>55</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>845</b>
<b>Water Treatment Upgrade Program</b>								
Minor Water Treatment Plant Capital Work	WOD	2,172	336	351	367	384	405	1,843
Treatment Plant Upgrades	ENG	45,271	5,980	5,050	2,921	6,276	1,149	21,376
<b>Program Total</b>		<b>47,443</b>	<b>6,316</b>	<b>5,401</b>	<b>3,288</b>	<b>6,660</b>	<b>1,554</b>	<b>23,219</b>
<b>WATER QUALITY TOTAL</b>		<b>62,053</b>	<b>6,606</b>	<b>5,456</b>	<b>3,788</b>	<b>6,660</b>	<b>1,554</b>	<b>24,064</b>

Capital Improvement Projects	Lead Dept	Prior Approp	Appropriation					5 Year Total (000's)
			FY2014 (000's)	FY2015 (000's)	FY2016 (000's)	FY2017 (000's)	FY2018 (000's)	
<b>WATER SUPPLY</b>								
<b>Aqueduct Program</b>								
Mokelumne Aqueduct No. 2 & 3 Relining	ENG	7,600	0	0	28,300	0	0	28,300
Mokelumne Aqueduct Recoating	ENG	37,915	0	0	0	0	0	0
Raw Water Aqueduct O&M Improvements	WOD	36,918	1,974	652	594	1,020	1,197	5,437
Raw Water Studies and Improvements	ENG	31,033	10,459	3,189	17,715	9,126	8,021	48,510
<b>Program Total</b>		<b>113,466</b>	<b>12,433</b>	<b>3,841</b>	<b>46,609</b>	<b>10,146</b>	<b>9,218</b>	<b>82,247</b>
<b>Supply Reservoirs Program</b>								
Camanche South Shore Water Trtmt Plant Replacement	WOD	4,224	0	0	0	0	0	0
Enhanced Power Revenue	WOD	7,975	1,503	10	20	20	0	1,553
Pardee Center Capital Maintenance & Improvements	WOD	1,096	85	143	157	140	120	645
Powerhouse Improvements	WOD	5,902	471	692	584	842	1,400	3,989
Recreation Area Capital Maintenance & Improvements	WOD	2,243	712	318	238	250	180	1,698
Water Supply Monitoring System	WOD	1,586	24	0	147	0	60	231
<b>Program Total</b>		<b>23,026</b>	<b>2,795</b>	<b>1,163</b>	<b>1,146</b>	<b>1,252</b>	<b>1,760</b>	<b>8,116</b>
<b>Water Conservation Program</b>								
Water Conservation Project	ADM	51,041	2,615	2,695	2,795	2,900	3,010	14,015
<b>Program Total</b>		<b>51,041</b>	<b>2,615</b>	<b>2,695</b>	<b>2,795</b>	<b>2,900</b>	<b>3,010</b>	<b>14,015</b>
<b>Water Recycling Program</b>								
East Bayshore	WRD	51,646	0	0	0	0	0	0
North Richmond Recycled Water Facility Improvements	WRP	7,717	544	143	148	153	159	1,147
RARE Water Project	WRD	58,391	0	0	0	0	0	0
San Ramon Valley Recycled Water Program	WRD	69,471	0	0	0	0	0	0
Water Recycling - WSMP	WRD	14,351	0	0	0	0	0	0
<b>Program Total</b>		<b>201,576</b>	<b>544</b>	<b>143</b>	<b>148</b>	<b>153</b>	<b>159</b>	<b>1,147</b>



Capital Improvement Projects	Lead Dept	Prior Approp	Appropriation					5 Year Total (000's)
			FY2014 (000's)	FY2015 (000's)	FY2016 (000's)	FY2017 (000's)	FY2018 (000's)	
<b>Water Supply Management Program</b>								
Additional Supplemental Supply Projects	WRD	103,157	0	0	0	0	0	0
Bayside Groundwater Project	WRD	62,176	0	0	0	0	0	0
Folsom South Canal Connection	ENG	270,110	0	0	0	0	0	0
Freeport Regional Water Project	WRD	251,140	0	0	0	0	0	0
<b>Program Total</b>		<b>686,583</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>WATER SUPPLY TOTAL</b>		<b>1,075,692</b>	<b>18,387</b>	<b>7,842</b>	<b>50,698</b>	<b>14,451</b>	<b>14,147</b>	<b>105,525</b>
<b>NON-PROGRAM SPECIFIC</b>								
Contingency Project	FIN	36,488	5,104	8,213	3,000	3,000	3,000	22,317
<b>Program Total</b>		<b>36,488</b>	<b>5,104</b>	<b>8,213</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>22,317</b>
<b>TOTAL WATER SYSTEM PROJECTS</b>		<b>2,750,430</b>	<b>165,814</b>	<b>150,023</b>	<b>196,641</b>	<b>222,383</b>	<b>179,782</b>	<b>914,640</b>

## DEBT FINANCING

The District generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt. Revenue supported debt can be authorized by the District's Board of Directors, subject to a referendum process.

### Outstanding Debt

The Water System has total long-term debt outstanding of \$2.54 billion (net of unamortized costs) as of June 30, 2013. The District's debt issues are summarized below and discussed in detail thereafter.

<b>OUTSTANDING DEBT</b>				
(\$000's)				
As of June 30, 2013				
Issue	Date of Issue	Last Maturity	Amount Issued	Debt Outstanding
<b>Long-Term Debt</b>				
<b>Revenue Bonds:</b>				
Series 2005A	6/2/2005	6/1/1935	300,000	228,250
Series 2007A	5/23/2007	6/1/1937	450,000	330,000
Series 2007B	5/23/2007	6/1/2019	54,790	35,700
Series 2008A	3/20/2008	6/1/1938	322,525	200,550
Series 2008B-3	4/24/2008	6/1/2026	160,000	15,100
Series 2009A	3/12/2009	6/1/2026	331,155	82,075
Series 2010A	2/3/2010	6/1/2031	192,830	190,570
Series 2010B (Build America Bonds)	2/23/2010	6/1/2040	400,000	400,000
Series 2011A	12/29/2011	6/1/2025	159,210	148,170
Series 2012A	10/10/201	6/1/2037	191,750	191,750
Series 2012B	11/13/2012	6/1/2026	358,620	339,995
Series 2013A	3/5/2013	6/1/2021	48,670	48,670
<b>Total Revenue Bonds</b>	-	-	<b>\$2,969,550</b>	<b>\$2,210,830</b>
<b>General Obligations Bonds</b>	-	-	<b>\$0</b>	<b>\$0</b>
<b>Loans:</b>				
State Loans (Parity)	1/1/2003	1/1/2023	2,188	1,284
State Loans (Parity)	5/22/2008	4/1/2028	20,100	15,719
<b>Total Loans</b>			<b>\$22,288</b>	<b>\$17,003</b>
<b>Total Long-Term Debt</b>			<b>\$2,991,838</b>	<b>\$2,227,833</b>
<b>Short-Term Debt</b>				
<b>Extendible Commercial Paper</b>	Various	Various	<b>\$410,000</b>	<b>\$312,900</b>
<b>TOTAL OUTSTANDING DEBT</b>			<b>\$3,401,838</b>	<b>\$2,540,733</b>

The District intends to issue approximately \$40 million of new extendible commercial paper in FY13.

## Debt Service

Projected as of June 30, 2013, the total Water System outstanding debt of \$2.54 billion will cost the District \$2.03 billion in interest payments, as detailed in the chart below.

Interest payments on synthetic fixed rate debt were calculated at their associated swap rates plus any spread (if known). Interest rates on Extendable Commercial Paper were calculated initially at 2%, then increased to 3% in FY18. Extendable commercial paper has \$0 principal amortization during the period.

<b>Debt Service on Existing Outstanding Debt</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Debt Service</b>
2014	19,576,260	112,310,869	131,887,129
2015	35,920,194	111,156,594	147,076,788
2016	49,519,702	109,902,795	159,422,497
2017	53,139,802	107,707,726	160,847,528
2018	59,425,508	108,330,553	167,756,061
2019	61,946,834	105,683,623	167,630,457
2020	64,718,797	102,776,529	167,495,326
2021	67,521,409	99,776,231	167,297,640
2022	70,369,690	96,712,557	167,082,247
2023	73,308,653	93,593,298	166,901,951
2024	76,558,386	90,561,386	167,119,772
2025	79,276,188	87,870,890	167,147,078
2026	82,199,697	85,049,056	167,248,753
2027	80,411,866	81,714,886	162,126,752
2028	84,235,710	77,922,311	162,158,021
2029	86,985,000	73,942,891	160,927,891
2030	92,410,000	69,809,877	162,219,877
2031	96,845,000	65,411,411	162,256,411
2032	101,500,000	60,789,235	162,289,235
2033	106,380,000	55,942,411	162,322,411
2034	111,505,000	50,859,159	162,364,159
2035	116,875,000	45,527,698	162,402,698
2036	122,505,000	39,935,782	162,440,782
2037	127,875,000	33,698,545	161,573,545
2038	133,215,000	27,002,947	160,217,947
2039	138,150,000	19,584,851	157,734,851
2040	35,460,000	11,469,920	46,929,920
<b>Total</b>	<b>2,227,833,696</b>	<b>2,025,044,031</b>	<b>4,252,877,727</b>

The difference in the debt service from the budgeted amount is due to: budgeted debt service includes new money bonds that will be issued in FY14 and FY15; and the numbers above relate to existing debt only. In addition, there are debt service costs such as liquidity, re-marketing, basis difference, and debt service administration which are included in the budget for debt service.

## Debt Ratings

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical credit rating organization.

Strong credit ratings provide tangible benefits to ratepayers in the form of reduced debt service cost. The value of the reduced debt service cost is estimated to be approximately \$6 million annually. A strong credit rating provides better access to capital markets, lower interest rates and better terms on debt, and access to a greater variety of debt products. Prudent financial management policies have resulted in bond ratings of AAA from Standard & Poor's, Aa1 from Moody's and AA+ from Fitch.

In FY13, the District issued Series 2012A revenue bonds that refunded portions of the Series 2005A and 2007A bonds. The refunding bonds have the same coupon rate and maturity schedule except that the first call date of the refunding bonds were extended from either June 2015 (the Series 2005 bonds) and June 2017 (the Series 2007 bonds) to June 1, 2012. The District realized a net gain from the sale of the Series 2012A bonds of approximately \$15 million that were used to offset construction expenditures. In addition, the District also refinanced approximately \$390 million of its variable rate demand notes by retiring portions of its Series 2008A, 2008B3, and 2009A bonds and replacing them with the Series 2012B fixed rate bonds. Portions of the proceeds of the Series 2012B bonds were also used to pay off the associated interest rate swaps of the refunded bonds. As a result, the District significantly reduced its portfolio of interest rate swaps and its credit exposure to interest rate swap counterparties. Prior to the issuance of the Series 2012B bonds, the District had total outstanding variable rate debt (excluding Extendable Commercial Paper) of approximately \$830 million. After the refinancing, the District has an outstanding balance of approximately \$446 million. In early calendar year 2013, the District issued Series 2013A bonds which refunded the outstanding balance of the Water Series 2003 bonds and realized over \$7 million in debt service savings.

As of January 1, 2013, the Water System's Debt Ratings were as follows:

<b>Water System Debt Ratings</b>			
<b>District Debt by Type</b>	<b>Rating by</b>		
	<b>Standard &amp; Poor's</b>	<b>Moody's Investors Service</b>	<b>Fitch</b>
<b>Water System</b>			
Fixed Rate Revenue Bonds	AAA	Aa1	AA+
Variable Rate Revenue Bonds			
Long-term Underlying Rating	AAA	Aa1	AA+
SIFMA-Based Index Bonds	A-1+	VMIG-1	F1+
Extendable Commercial Paper	A-1+	P-1	F1+

## Debt Policy and Coverage

The District is subject to legal debt limits prescribed in the MUD Act. The MUD Act describes three types of legal limitations: general debt limits, revenue bond limits, and short term borrowing limits.

The District's indebtedness can not exceed the ordinary annual income and revenue of the District without a 2/3rds approval of the voters to incur excess indebtedness. However, revenue bonds are not included in general debt limits. The District can not incur an indebtedness which exceeds 20 percent of the assessed value of the real property of the District.

The MUD Act authorizes the District to issue Revenue Bonds with the approval of a resolution from the Board of Directors specifying the maximum principal amount of bonds to be issued.

The MUD Act authorizes the District to issue short-term indebtedness without an election of the voters. The amount of short-term borrowing can not exceed the lesser of 1) the annual average total revenue of the three preceding years or 2) 25% of the District's total outstanding bonds. This provision is substantially the same as the District's internal policy discussed below.

The District has also established its own policy regarding debt management (Policy 4.02: Cash Reserves and Debt Management – see Appendix). The purpose of the debt policy is to maintain a balance between current funding sources and debt financing over each five-year plan horizon to retain the District's financing flexibility. Flexibility allows the District to use a variety of revenue or debt-financing alternatives, including issuing low cost variable rate and other revenue supported debt.

The District's debt management policy is to:

- a) maintain an annual revenue bond debt coverage ratio of at least 1.6 times coverage;
- b) limit debt-funded capital to no more than 65 percent of the total capital program over each five-year planning period; and
- c) limit commercial paper / variable rate debt to 25 percent of outstanding long-term debt.

In order to comply with the debt management policy, the District has taken the following measures:

### *a) Debt Coverage Ratio*

This policy ensures that the District has sufficient annual operating revenues to pay its operating expenses and meet its debt service obligations on its revenue bonds and other senior debt. The revenue bond debt coverage ratio is defined as the District's net operating revenue (current year's operating revenue less the current year's operating expenses) divided by the current year's debt service on all revenue bonds and other senior debt. In FY14 and FY15, the projected debt coverage ratio is 1.61 and 1.64 respectively.

*b) Debt-Funded Capital*

Starting in FY14 and FY15, the percentage of capital that is funded by debt will decrease. The projected average percentage of capital funded from debt will be 42.5% over the five-year period, lower than the financial policy maximum target of 65%.

<b>Debt Percentage of Funding</b>		
(\$ Millions)		
	<b>FY14</b>	<b>FY15</b>
<b>Expenditures:</b>		
Capital improvements (discounted)	151.1	160.9
A & G expenses	<u>35.0</u>	<u>35.0</u>
<b>Total expenditures</b>	<b>186.1</b>	<b>195.9</b>
<b>Project Funding:</b>		
New Bond Funded	175.0	0
Prior Bond Funded	0	93.9
Grants and Loans Funded	0.9	0.9
Reimbursements Funded	16.4	15.5
Rate Funded	<u>69.4</u>	<u>85.6</u>
<b>Total resources</b>	<b>261.7</b>	<b>195.9</b>
<b>Debt percentage of funding</b>	<b>53.4%</b>	<b>47.9%</b>

*c) Commercial Paper and Variable Rate Debt Ratio*

The District has authorized a short-term extendable commercial paper borrowing program of up to the lesser of either (1) the annual average of the total revenue for the three preceding years or, (2) 25% of the District's outstanding bonds. Under this program, the Water System may issue commercial paper notes at prevailing interest rates for periods of not more than 120 days from the date of issuance with the option by the District to extend the maturity for another 150 days. The program is not supported by any liquidity or revolving credit agreement. The Water System Commercial Paper Notes are payable from and secured by a pledge of the System's revenues on a basis subordinate to the Water System revenue bonds.

On March 1, 2013, \$312.9 million of Water System commercial paper notes were outstanding under the program, with an average weighted remaining life to maturity of 56 days. The proceeds from the issuance of commercial paper are restricted for construction purposes only. There were no unused proceeds on March 1, 2013.

Commercial paper debt on March 1, 2013 comprises less than 14 percent of the \$2,237 million in outstanding long-term bonds.

Water System outstanding variable rate debt on March 1, 2013 was approximately \$446 million. Since the beginning of FY13, the District has converted over \$380 million of its variable rate debt into fixed rate debt by paying off existing interest rate swap contracts and replacing the underlying variable rate bonds with fixed rate bonds. Going forward, the District will finance its construction program through a combination of fixed-rate debt and commercial paper notes.

# FIVE-YEAR FINANCIAL FORECAST

## SUMMARY

The five-year financial forecast presents the estimated impact of operations, debt service requirements and reserve balances on rate projections over the five-year period.

This forecast is built upon:

- Adopted District financial policies
- Capital investments in the FY14-FY18 Capital Improvement Program
- Additional surcharge revenues and expenditures associated with the Seismic Improvement Program for the Water System.

This forecast identifies a series of rate increases for the Water System based on estimated increases in operating and capital expenditures to maintain current service levels, meet mandated program requirements, and fund increased debt service due to capital expenditures.

Revenues are forecast to increase by 7.9% annually over the five-year period to cover the increases in operating expenses and debt service, and maintain a minimum of 1.6 times coverage on revenue bond debt service. Forecasted operating expenses are expected to grow by an average of approximately 5.0% per year during the five-year period, while debt service grows by an average of 7.8% per year.

The key factors driving the need for increased Water System revenues are:

- Inflation
- Increasing labor and benefits costs
- Impact of drought and economic downturn on revenue
- Increasing capital program.

For all five years, the cash reserves exceed the cash reserve targets. Reserves in excess of those needed to meet financial reserve targets are available to pay for a portion of the capital program expenses.

Capital cash flow spending, including administrative and general expenses, is projected at \$1,036 million over the five-year period. Major programs or projects to be undertaken during this period include the: Pipelines, Regulators and Appurtenances programs (\$353 million); Pressure Zone Improvements program (\$107 million); Reservoir Rehabilitation program (\$76 million); Aqueduct program (\$71 million); Pumping Plant Rehabilitation program (\$75 million); and Water Treatment and Transmission program (\$75 million).

The projected average percentage of capital funded from debt will be 42.5% over the five-year period, lower than the financial policy target maximum of 65%. In FY14 and FY15, the debt coverage ratio is projected to be 1.62 and 1.67, respectively, and for all five years the ratio meets or exceeds the targeted coverage rate of 1.6.

## OPERATING BUDGET

The following table shows the financial forecast for the Water System operating budget based on projected operations and maintenance expenses and debt service requirements.

<b>WATER SYSTEM FUND – OPERATING BUDGET</b>							
<b>FIVE-YEAR FINANCIAL FORECAST</b>							
(\$ Millions)							
	<b>Actual FY12*</b>	<b>Budget FY13*</b>	<b>Forecast</b>				
			<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>
<b>Beginning Balance</b>	<b>250.1</b>	<b>258.4</b>	<b>240.2</b>	<b>244.8</b>	<b>249.3</b>	<b>254.6</b>	<b>260.4</b>
Water Charges	306.2	342.0	354.0	391.8	429.7	466.9	498.7
Seismic Surcharges	19.2	19.9	22.4	24.6	26.8	28.8	30.4
Property Taxes	23.4	23.8	23.4	23.8	24.3	24.8	25.3
Power Sales	5.2	5.7	5.7	5.7	5.7	5.7	5.7
Interest Income	5.1	12.4	2.3	4.0	7.0	6.4	7.3
SCC Revenue	29.7	40.1	23.7	23.3	24.6	25.9	27.3
Reimbursements	10.5	6.5	10.5	10.5	10.5	10.5	10.5
All Other Revenue	18.9	20.6	16.3	16.5	16.6	16.7	16.9
<b>Operating Revenues Total</b>	<b>418.2</b>	<b>471.0</b>	<b>458.3</b>	<b>500.2</b>	<b>545.2</b>	<b>585.7</b>	<b>622.1</b>
Operations & Maintenance Expenses	240.5	226.9	236.9	246.9	259.9	273.5	288.0
Debt Service	141.6	168.3	147.4	163.2	184.0	184.7	198.9
Revenue Funded Capital	43.6	117.3	69.4	85.6	96.0	121.7	128.8
<b>Expenses Total</b>	<b>425.7</b>	<b>512.5</b>	<b>453.7</b>	<b>495.7</b>	<b>539.9</b>	<b>579.9</b>	<b>615.7</b>
<b>Ending Balance</b>	<b>242.6</b>	<b>216.9</b>	<b>244.8</b>	<b>249.3</b>	<b>254.6</b>	<b>260.4</b>	<b>266.8</b>
Target Reserve Balance	109.8	110.7	118.5	126.4	135.6	144.8	153.4

\* FY12 and FY13 Budget does not reflect actual balances at the beginning and end of the fiscal year.

The following table shows the key assumptions used to create the revenue forecast.

<b>WATER SYSTEM FUND – KEY ASSUMPTIONS</b>							
<b>FIVE-YEAR FINANCIAL FORECAST</b>							
(\$ Millions)							
	<b>Actual FY12</b>	<b>Budget FY13</b>	<b>Forecast</b>				
			<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>
Projected Sales Volume (mgd)	161.0	172.0	164.0	166.0	169.0	172.0	175.0
% Rate Increase	6.00%	6.00%	9.75%	9.50%	8.00%	7.00%	5.00%
Debt Service Coverage	1.6	1.6	1.62	1.67	1.65	1.79	1.79
Average Monthly Single Family Residential Bill (\$) Based on 10 ccf/month	\$38.15	\$40.45	\$44.41	\$48.60	\$52.49	\$56.16	\$58.97



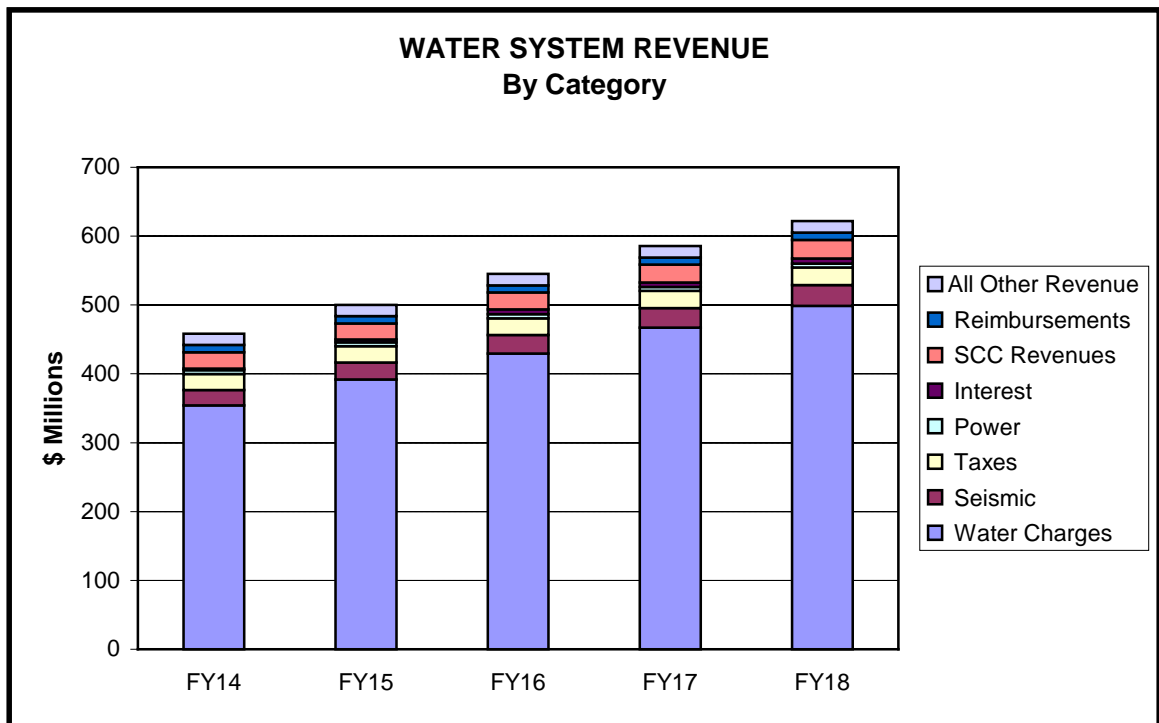
## Five Year Projection of Revenues

The key factors driving the need for increased Water System revenues are: inflation, increasing labor costs, the impact of the drought and economic downturn on revenue, and an increase in funding the capital program from revenue rather than debt. Water System revenues will be used to pay for an increasing amount of capital expenditures on a pay-as-you-go basis.

Projected annual operating revenues are expected to increase from \$458.3 million in FY14 to \$622.1 million by FY18, an increase of \$163.8 million or 35.7%. The increase in revenue over the five-year period is to cover increased costs in operations and maintenance costs, debt service requirements, and revenue funding for capital projects.

The major components of the increase in operating revenue during the five-year period are revenue from water charges which is projected to increase from \$354.0 million in FY14 to \$498.7 million in FY18 based on water rate increases; increases in seismic surcharges from \$22.4 million in FY14 to \$30.4 million in FY18; interest rate increases as they recover from historic lows; and increased SCC revenues from \$23.7 million in FY14 to \$27.3 million in FY18 due to slight increases in new connections and in the charge.

The following charts show projected Water System operating revenues by category for the next five years.



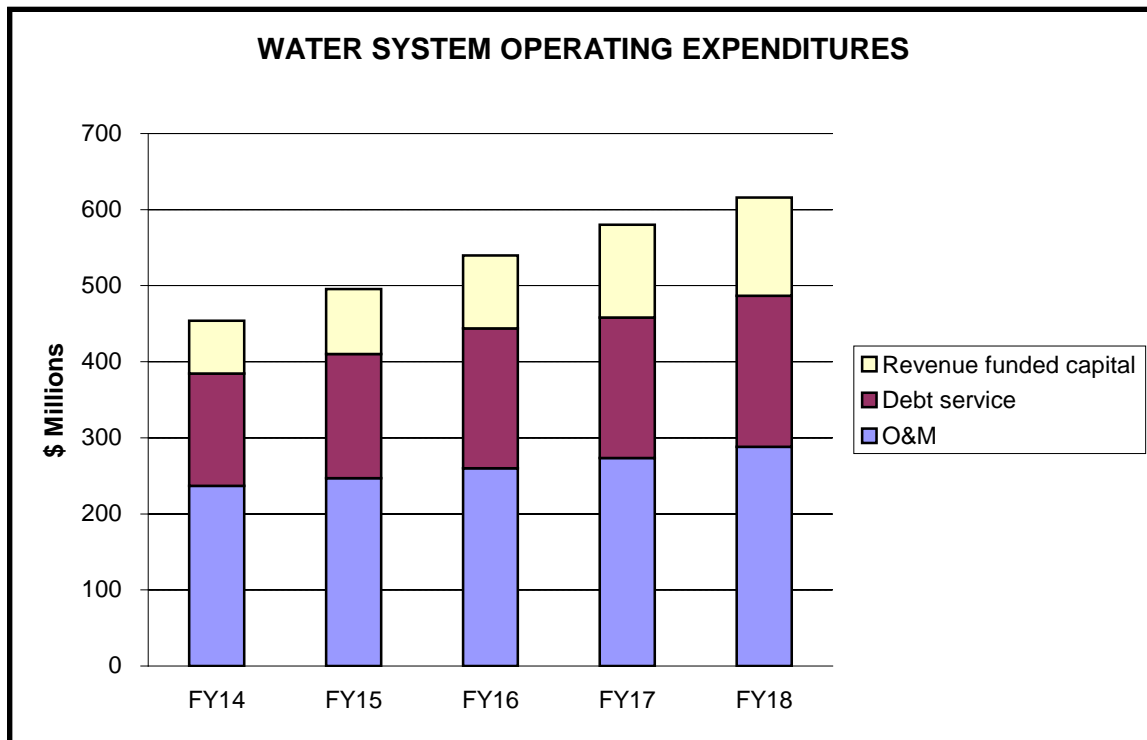
## Five Year Projection of Operating Expenditures

The Water System operations and maintenance (O&M) expenses are projected to increase from \$236.9 million in FY14 to \$288.0 million in FY18, an increase of 5.0% per year.

Debt service requirements are expected to increase from \$147.4 million in FY14 to \$198.9 million by FY18, an increase of 34.8%. This increase is the result of \$525 million of new debt that will be issued to finance the Water System Capital Improvement Program.

The District uses its rate revenue to cash fund a portion of its annual capital improvement expenses. The amount of revenue funded capital will increase from \$69.4 million in FY14 to \$128.8 million in FY18, an increase of 85.6%.

This chart summarizes projected Water System expenditures by category for the next five years.



## Five Year Projection of Reserves

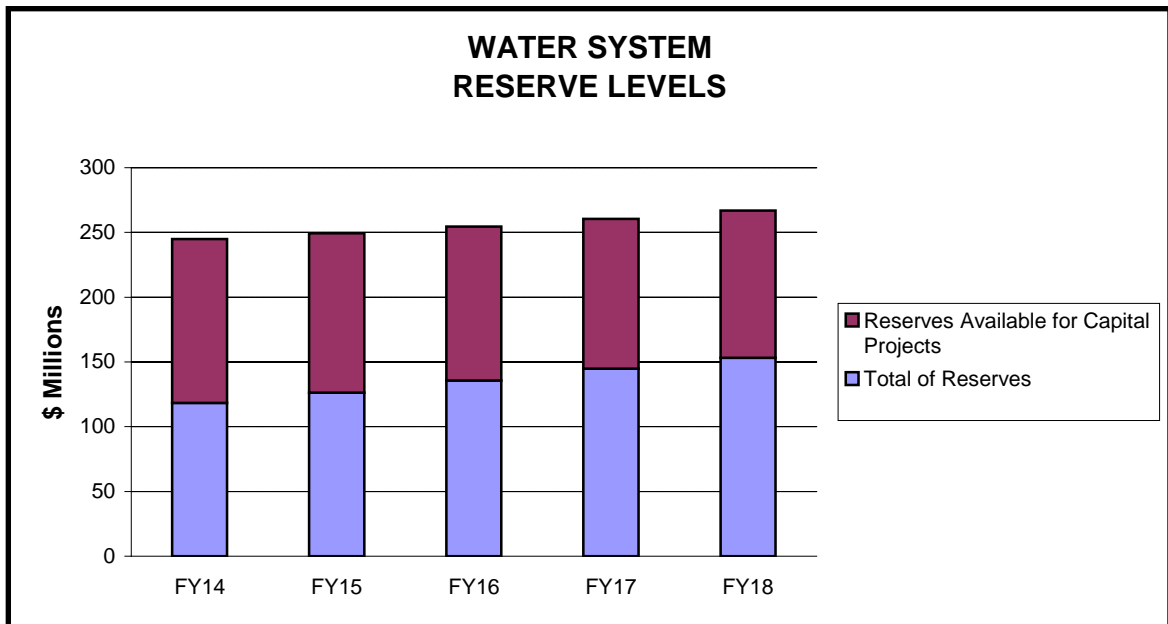
The operating reserves consist of:

- Working capital reserves equal to three months operating and maintenance expenses
- Self insurance reserves at 1.25 times the expected annual expenditures
- Workers' compensation reserves of \$3.2 million in FY14 and \$3.2 million in FY15
- Contingency/rate stabilization reserve of 20% of projected annual water volume revenues

The table below shows the changes to reserve components over the five-year period. Reserve balances meet or exceed the target levels for the entire period.

<b>WATER SYSTEM RESERVE COMPONENTS</b> (\$ Millions)					
RESERVE COMPONENTS	Projected				
	FY14	FY15	FY16	FY17	FY18
<b>Projected Operating Budget Reserves</b>	244.8	249.3	254.6	260.4	266.8
Working capital	59.2	61.7	65.0	68.4	72.0
Self Insurance Reserve	5.0	5.0	5.2	5.3	5.5
Workers' Compensation Reserves	3.2	3.2	3.3	3.4	3.5
Contingency and Rate Stabilization	<u>51.0</u>	<u>56.4</u>	<u>62.1</u>	<u>67.7</u>	<u>72.3</u>
<b>Total of Reserves</b>	118.4	126.3	135.6	144.8	153.3
<b>Reserves Available for Capital Projects</b>	126.4	123.0	119.0	115.6	113.5

The following shows Water System reserve levels projected at the end of each of the next five years. Ending reserve levels are projected to be constant over the five-year period.



## **CAPITAL INVESTMENTS AND FINANCING**

The Five-Year Capital Improvement Program (CIP) outlines Water System capital investment plans, the estimated cost of these investments, and the sources of funds. Appropriations reflect the amount that is authorized and budgeted over a multi-year period for each program. Cash flows are the amounts estimated to be spent on each program in a given year. The five-year program for the Water System includes \$1.1 billion in capital project appropriations, including administrative and general expenses, and \$1.0 billion in projected cash flow spending.

The focus of the CIP is the five-year period from FY14-18. Capital needs have been estimated for a second five-year period from FY19-23, but given the long-term nature of these capital improvement plans, by necessity they are preliminary estimates only and will be revised as studies are completed, priorities are redefined, and as new needs emerge. Therefore, the budget focuses on the first five years of the CIP.

The largest portion of the capital resources is being directed to maintaining the District's infrastructure. In the FY14-18 CIP, 50% of the Water System's project appropriations will be for work in this program area to implement preventative and corrective maintenance programs, and to maintain and improve the infrastructure. The majority of this work will focus on pipeline projects to improve system reliability. Another 25% of the appropriations will be directed towards making improvements to various components of pressure zones such as reservoirs, pumping plants and water treatment plants to improve system reliability for existing customers, and to provide service to any new customers within the service area.

Funding for these projects is drawn from the proceeds of revenue bond issues, commercial paper, grants, reimbursements from developers and other agencies, and current reserves and revenues.

For the FY14-18 CIP, an increasing amount of capital expenditures will be funded on a pay-as-you-go basis in accordance with the District's financial policies. Over the five-year period, the percentage of capital funded from debt will average 42.5%, which is less than the target maximum of 65% contained in the District's debt policy, and debt service will grow by an average of 7.8% per year. Water System debt will increase by \$548 million during the period. Total debt outstanding at the end of the five-year period will total \$3.4 billion.

In FY14 and FY15, the debt coverage ratio will be 1.62 and 1.67, respectively, and for all five years the ratio meets or exceeds the targeted coverage rate of 1.6.

The following table shows the cash flow spending on capital improvements anticipated for the next five years, along with the financial resources anticipated to fund the capital program.

<b>FIVE-YEAR FINANCIAL FORECAST</b>						
(\$ Millions)						
	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>Totals</u>
<b>Beginning Balance</b>	<b>18.4</b>	<b>94.0</b>	<b>0.1</b>	<b>85.8</b>	<b>2.0</b>	<b>-</b>
<b>Resources:</b>						
Commercial Paper Issues	0	0	0	0	0	0
New Bond Issues	175.0	0	180.0	0	170.0	525.0
Grants and Loans Proceeds	0.9	0.9	0.5	0.3	0.3	2.9
Reimbursements	16.4	15.5	19.7	18.9	20.9	91.4
Transfer from Operating Revenue	<u>69.4</u>	<u>85.6</u>	<u>96.0</u>	<u>121.7</u>	<u>128.8</u>	<u>501.5</u>
<b>Total Resources</b>	<b>261.7</b>	<b>102.0</b>	<b>296.2</b>	<b>140.9</b>	<b>320.0</b>	<b>1,120.8</b>
<b>Expenditures:</b>						
Capital Improvements (discounted)	151.1	160.9	175.5	189.7	184.1	861.3
A & G Expenses	<u>35.0</u>	<u>35.0</u>	<u>35.0</u>	<u>35.0</u>	<u>35.0</u>	<u>175.0</u>
<b>Total Expenditures</b>	<b>186.1</b>	<b>195.9</b>	<b>210.5</b>	<b>224.7</b>	<b>219.1</b>	<b>1,036.3</b>
<b>Ending Balance</b>	<b>94.0</b>	<b>0.1</b>	<b>85.8</b>	<b>2.0</b>	<b>102.9</b>	<b>-</b>
<b>Debt Percentage of Funding</b>	<b>53.4%</b>	<b>47.9%</b>	<b>44.8%</b>	<b>37.3%</b>	<b>31.5%</b>	<b>42.5%</b>

Projected new bond issues, outstanding debt, and debt service are shown in the following table:

<b>DEBT OUTSTANDING AND DEBT SERVICE AT END OF FISCAL YEAR</b>					
(\$ Millions)					
	Forecast				
	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
Beginning of Year Outstanding Debt	2,643.0	2,838.0	2,874.0	3,104.0	3,157.0
Debt Retired	20.0	36.0	50.0	53.0	59.0
New Bond Issues and Commercial Paper	<u>175.0</u>	<u>0.0</u>	<u>180.0</u>	<u>0.0</u>	<u>170.0</u>
<b>Total Outstanding Debt</b>	<b>2,838.0</b>	<b>2,874.0</b>	<b>3,104.0</b>	<b>3,157.0</b>	<b>3,386.0</b>
Debt Service, Existing Debt	136.5	152.3	164.1	164.8	170.5
Debt Service, New Debt	8.8	8.8	17.8	17.8	26.3
Debt Servicing Costs	<u>2.1</u>	<u>2.1</u>	<u>2.1</u>	<u>2.1</u>	<u>2.1</u>
<b>Total Debt Service</b>	<b>147.4</b>	<b>163.2</b>	<b>184.0</b>	<b>184.7</b>	<b>198.9</b>

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## CHAPTER 4: WASTEWATER SYSTEM

### INTRODUCTION AND FUND SUMMARY

The Wastewater System Fund is an enterprise fund consisting of an operating and a capital budget. The function of the Wastewater System is the interception and treatment of wastewater from residences and industries in the California communities of Alameda, Albany, Berkeley, Emeryville, Oakland, Piedmont, and the Stege Sanitary District. The General Manager's approval is required for the reallocation of funds between the operating and capital programs.

This chapter is organized into the following sections:

- Pages 145 - 172      A detailed description of the two years of this budget cycle including revenues and expenditures for the operating and capital programs, and a description of debt. This section also includes a detailed Department budget.
- Pages 173 - 179      A five-year-forecast of the Wastewater System projected revenues and expenditures for the operating and capital programs, and debt financing.

The following are key projections and assumptions that went into the making of the FY14 and FY15 budget.

<b>WASTEWATER SYSTEM FUND – KEY ASSUMPTIONS</b>		
(\$ Millions)		
	<b>FY14</b>	<b>FY15</b>
% Rate Increase	9.00%	8.50%
Average Monthly Single Family Residential Bill (\$) Based on 10 ccf/month	\$17.79	\$19.25

The following table shows the fund balance, and projected revenues and expenditures for the Wastewater System for FY14 and FY15.

<b>Wastewater System Fund Summary</b> <b>Including Operating and Capital Budgets</b> <b>(\$ Millions)</b>						
	<u>FY14</u>			<u>FY15</u>		
	Operating	Capital	Fund Balance (Total)	Operating	Capital	Fund Balance (Total)
<b>Fund Balance at Beginning of FY (Projected)</b>	<b>73.4</b>	<b>4.2</b>	<b>77.6</b>	<b>60.5</b>	<b>0.7</b>	<b>61.2</b>
<b>Sources of Funds</b>						
<b>Operating Revenues</b>						
Treatment Charges	61.5		61.5	66.9		66.9
Resource Recovery	7.0		7.0	6.5		6.5
Wet Weather Facilities Charge	19.8		19.8	21.5		21.5
Property Taxes	4.1		4.1	4.2		4.2
Ad Valorem Bond Levy	4.2		4.2	4.3		4.3
Interest Income	0.4		0.4	0.7		0.7
Laboratory Services	3.7		3.7	3.8		3.8
Reimbursements	0.9		0.9	0.9		0.9
Permit Fees	1.9		1.9	1.9		1.9
Capacity Charge	1.5		1.5	1.5		1.5
All Other Revenue	<u>4.6</u>		<u>4.6</u>	<u>4.6</u>		<u>4.6</u>
<b>Total Operating Revenues</b>	<b>109.6</b>		<b>109.6</b>	<b>116.8</b>		<b>116.8</b>
<b>Capital Funding Sources</b>						
Commercial Paper Issues		0.0	0.0		0.0	0.0
New Bond Issues		0.0	0.0		0.0	0.0
Grants and Loans Proceeds		0.0	0.0		0.0	0.0
Capital Reimbursements		0.0	0.0		0.0	0.0
Revenue Funded Capital	<u>-28.0</u>	<u>28.0</u>	<u>0.0</u>	<u>-30.9</u>	<u>30.9</u>	<u>0.0</u>
<b>Total Capital Revenues</b>	<b>-28.0</b>	<b>28.0</b>	<b>0.0</b>	<b>-30.9</b>	<b>30.9</b>	<b>0.0</b>
<b>Total Funds</b>	<b>81.6</b>	<b>28.0</b>	<b>109.6</b>	<b>85.9</b>	<b>30.9</b>	<b>116.8</b>
<b>Expenditures</b>						
Operating Budget	60.8		60.8	63.4		63.4
Debt Service	33.7		33.7	34.3		34.3
Capital Cash Flow (Includes Admin & Gen)		<u>31.5</u>	<u>31.5</u>		<u>30.9</u>	<u>30.9</u>
<b>Total Expenditures</b>	<b>94.5</b>	<b>31.5</b>	<b>126.0</b>	<b>97.7</b>	<b>30.9</b>	<b>128.6</b>
<b>Ending Balance *</b>	<b>60.5</b>	<b>0.7</b>	<b>61.2</b>	<b>48.7</b>	<b>0.7</b>	<b>49.4</b>

\* Includes reserves for working capital, self-insurance, worker's compensation, contingency and rate stabilization, and for capital projects



## FY 2014 AND FY 2015 BUDGET

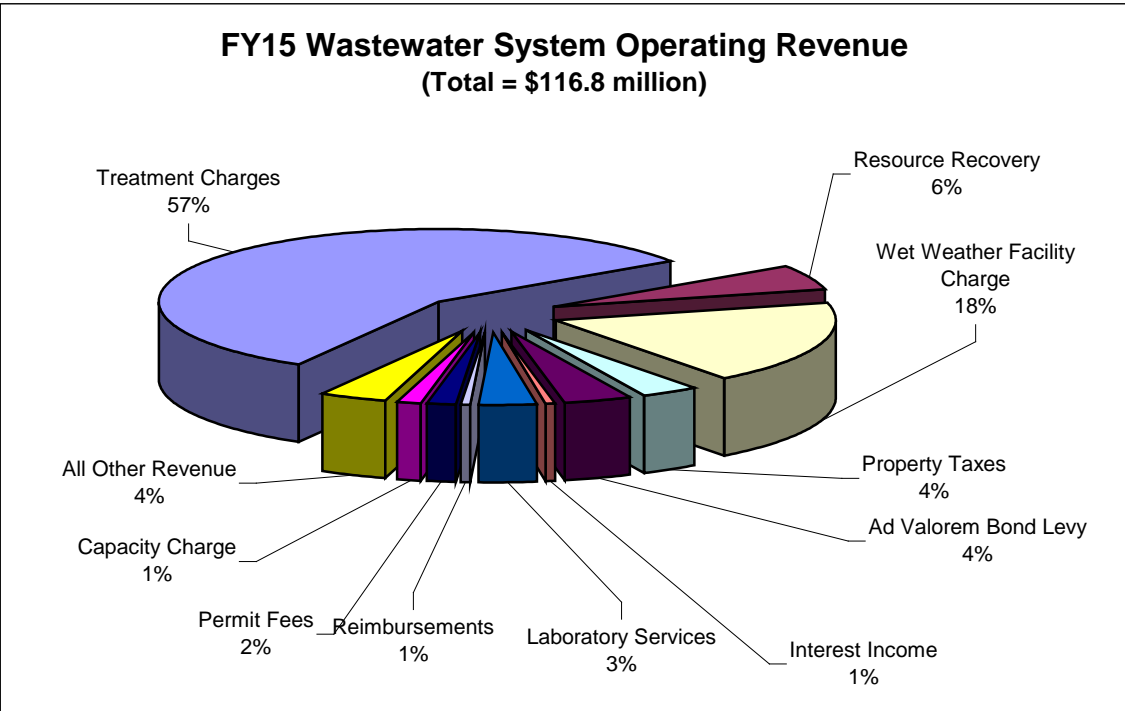
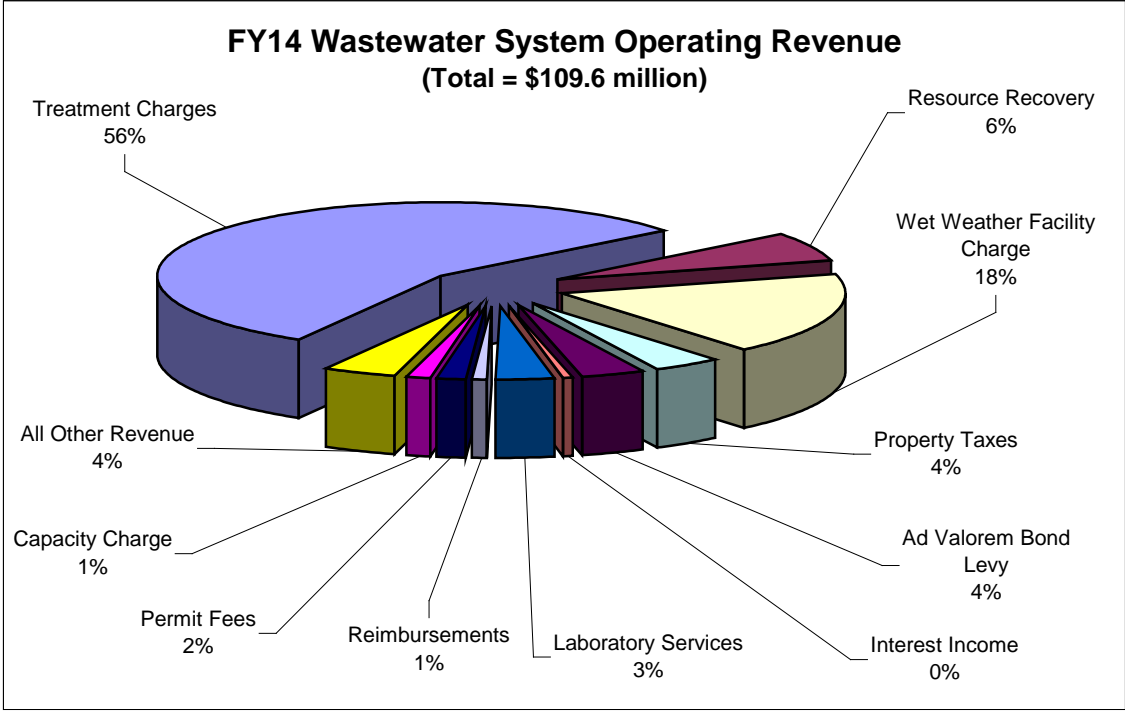
### SOURCES OF FUNDS

<b>TOTAL SOURCES OF FY14-15 FUNDS</b>			
(\$ Millions)			
	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>
<b>Operating Revenues:</b>			
Treatment Charges	56.3	61.5	66.9
Resource Recovery	7.3	7.0	6.5
Wet Weather Facilities Charge	17.9	19.8	21.5
Property Taxes	3.7	4.1	4.2
Ad Valorem Bond Levy	4.1	4.2	4.3
Interest Income	2.5	0.4	0.7
Laboratory Services	3.7	3.7	3.8
Reimbursements	0.9	0.9	0.9
Permit Fees	1.8	1.9	1.9
Capacity Charge	-	1.5	1.5
All Other Revenue	6.1	4.6	4.6
<b>Total Operating Revenues</b>	<b>104.3</b>	<b>109.6</b>	<b>116.8</b>
Revenue Funded Capital	0.0	-28.0	-30.9
<b>Capital Funding Sources:</b>			
Revenue Funded Capital	0.0	28.0	30.9
Commercial Paper Issues	0.0	0.0	0.0
New Bond Issues	0.0	0.0	0.0
Grants and Loans Proceeds	0.0	0.0	0.0
Reimbursements	2.0	0.0	0.0
<b>Total Capital Funding Sources</b>	<b>2.0</b>	<b>28.0</b>	<b>30.9</b>
<b>Total Wastewater Sources</b>	<b>106.3</b>	<b>109.6</b>	<b>116.8</b>

### Operating Revenue

Wastewater System revenues for FY14 are projected to increase overall by \$5.3 million, or 5.1% compared to FY13, for a total of \$109.6 million. The 9.00% increase in wastewater treatment charges will increase treatment revenue by \$5.2 million over the FY13 budgeted revenue. Wet weather facility charge revenue in FY14 is projected to increase \$1.9 million from the FY13 budgeted amount. The increase in the treatment and wet weather revenue over the FY13 budget is offset by projected reductions in the resource recovery revenue of \$0.3 million due to an expected drop in trucked waste deliveries, interest revenue by \$2.1 million due to the drop in interest rates, and other revenue by \$1.5 million due to lower expected revenues from energy sales.

In FY15, Wastewater System revenues are projected to increase by \$7.2 million, or 6.6% for a total of \$116.8 million. This increase is comprised primarily of \$7.1 million from 8.50% rate increases in the wastewater treatment and wet weather facilities charges.



## **Operating Revenue Source Descriptions**

### **Treatment Charges**

The District provides treatment for discharges collected through city-owned sewers and transported through District interceptors and pump stations to the main treatment plant. Treatment charges for all customers are based on the volume and strength of the wastewater discharged plus a service charge, and is collected on the water service bill. The average rate increase for the various wastewater treatment charges will be 9.00% for FY14 and an additional 8.50% for FY15. For FY14, the projected wastewater treatment charge will total \$61.5 million, an increase of \$5.2 million or 9.2% over the FY13 budgeted treatment revenue of \$56.3 million. For FY15, the projected wastewater treatment charge will be \$66.9 million collected on the water service bill, an increase of \$5.4 million or 8.8% over the FY14 projected treatment revenue.

### **Resource Recovery**

The District utilizes its excess capacity at the Main Wastewater Treatment Plant by the acceptance of trucked waste. The Resource Recovery Program is projected to generate \$7.0 million in FY14, a decrease of \$0.3 million or 4.1% compared to the FY13 budget, and \$6.5 million in FY15, a decrease of \$0.5 million or 7.1% from the previous year.

### **Wet Weather Facilities Charge**

In June 1987, the Board of Directors established the wet weather facilities charge to pay for the costs associated with the District wet weather facilities. This charge is assessed on a per parcel basis and, while it is not a tax, the charge is collected on the county property tax bill. The charge is projected to generate approximately \$19.8 million in FY14, a 10.6% increase over the FY13 budget. In FY15, the projected revenue is \$21.5 million, an 8.6% increase over the FY14 budget.

### **Property Taxes**

The District receives a portion of the 1% county levy on properties within District boundaries. The percentage of the county levy received varies depending on the number of other agencies participating in the distribution. The District's Wastewater share has averaged about 0.5% of the total monies collected. For FY14, property tax revenue of \$4.1 million is based upon FY12 actual property tax receipts. Revenues for FY15 are \$4.2 million or \$.1 million over FY14.

### **Ad Valorem General Obligation Bond Levy**

The Wastewater System has the authority, approved by a two-thirds majority of the voters, to impose an ad valorem property tax to recover the debt service on its outstanding General Obligation bonds. The amount is approximately \$4.2 million for FY14 and \$4.3 million for FY15. As of August 2012, the net assessed valuation for property within the Wastewater System is \$61.1 billion. For FY14, the ad valorem property tax rate will be approximately \$.0068 per \$100 of assessed value, or \$6.80 for every \$100,000 of assessed valuation.

### **Interest Income**

The District places funds not needed for current expenditures in short-term investments, following the same procedures as the Water System. Interest income in FY14 is projected to be \$0.4 million, a decrease of \$2.1 million over the FY13 budgeted amount due to a significant drop in interest rates. Interest income in FY15 is projected to be \$0.7 million, an increase of \$0.3 million over FY14 due to slightly higher expected interest rates.

**Laboratory Services**

The Wastewater Laboratory provides testing and analysis services for the Water and Wastewater Systems and several outside agencies. Costs for lab services provided to the Water System are billed to the Water System. The Water and Wastewater Systems share in the joint costs of operating the lab. Revenues from the Water System and outside agencies are projected to be \$3.7 million for FY14 and \$3.8 million for FY15.

**Capacity Charges**

Beginning in FY14, the District will designate the revenues received from the Wastewater Capacity Fees (WCF) as operating revenue for purposes of the budget and the bond indenture. This allows the WCF revenues to be used in the debt coverage ratio calculation for Wastewater. Previously, the WCF revenues were excluded from the operating revenue and debt coverage ratio. Because the WCF is collected from new customers as payment for their share of existing wastewater facilities, these revenues can be classified as being available to pay for debt expenses for capital. This is similar to the treatment on the Water System Capacity Charge revenue. This change in designation of revenues reduces the amount of the wastewater treatment rate increase that is required to meet the debt coverage ratio target. For FY14 and FY15, the WCF revenue is projected to be \$1.5 million per year.

**All Other Revenue**

All other revenue for the Wastewater System is expected to decrease in FY14 and FY15 to \$4.6 million, a decrease of \$1.5 million or 24.6% due to a \$1.2 million reduction in the expected revenue from energy sales from the Power Generation Station.

## **Capital Funding**

The FY14 and FY15 wastewater capital improvement program will be funded entirely from rate revenue and reserves. The District's financing plan is to not issue new debt in FY14 or FY15, with the result that reserves will be reduce by \$26.5 million down to \$46.9 million to fund the capital improvement program. The projected reserve of \$46.8 million is above the target reserve level of \$21.3 million.

Please refer to the section on Debt Financing additional details on debt funding of capital projects.

## **Capital Funding Source Descriptions**

### **New Bond Issues**

The District has the ability to issue long-term bonds to fund its capital program. The proceeds of the bond sales can be used to pay for capital expenses over several years. The repayment of the bonds is generally over 30 years and is paid from wastewater rate revenues.

### **Commercial Paper Issues**

In addition to issuing long-term bonds to fund its capital program, the District has used short-term borrowing in the form of commercial paper to raise revenues for capital expenses. The term of commercial paper can be up to 270 days. The repayment of commercial paper is paid from wastewater rate revenues.

### **Grants and Loans Proceeds**

The District seeks out federal and state grants and low-interest loans to fund some of its capital projects when they meet the conditions of the grant and loan programs.

### **Reimbursements**

Some of the capital projects in the Wastewater System are done at the request of other agencies, and the District is reimbursed for its expenses. An example would be the relocation of a portion of the sewer interceptor at the request of a city or state agency.

### **Revenue Funded Capital**

Annual capital expenses that are not paid from debt funding, grants, loans or reimbursements must be paid from revenues, either from current year revenues or from reserves.

## EXPENDITURES SUMMARY

<b>TOTAL FY14-15 EXPENDITURES</b>			
(\$ Millions)			
	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>
<b>Expenditures</b>			
Operating Budget	59.4	60.8	63.4
Debt service	33.9	33.7	34.3
Capital Cash Flow (includes Admin & Gen)	<u>31.5</u>	<u>31.5</u>	<u>30.9</u>
<b>Total Expenditures</b>	<b>124.8</b>	<b>126.0</b>	<b>128.6</b>

The Wastewater System has two types of expenditures:

**Operating expenses** include two components: the annual costs of providing all wastewater services, and debt service for the repayment of bonds for making capital investments in the wastewater system.

**Capital expenses** pay the annual costs of the Capital Improvement Program for long-term projects to upgrade aging infrastructure, make seismic improvements, and protect San Francisco Bay.

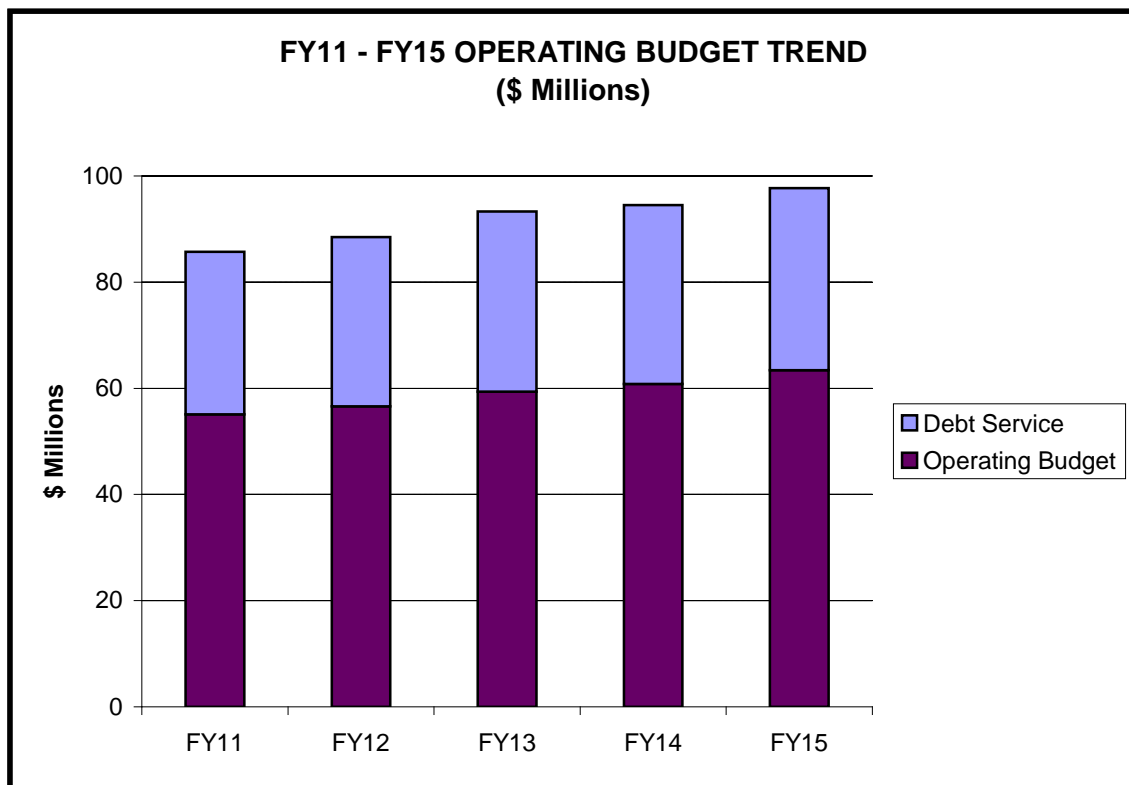
## OPERATING EXPENDITURES

### Operating Budget Overview

During the period FY11 through FY15, the Wastewater System total operating budget increases an average of 3.2% annually.

Total operating expenditures are increasing by \$1.2 million or 1.3 % over the FY13 amended budget. Operating expenditures are increasing in FY15 by \$3.1 million or 3.3%.

Description	FY11 Amended Budget	FY12 Amended Budget	FY13 Amended Budget	FY14 Adopted Budget	FY14 vs FY13 % change	FY15 Adopted Budget	FY15 vs FY14 % change
<b>Operating Budget</b>	55.1	56.6	59.4	60.8	2.4%	63.4	4.3%
<b>Debt Service</b>	<u>30.6</u>	<u>31.9</u>	<u>33.9</u>	<u>33.7</u>	<u>-0.6%</u>	<u>34.3</u>	<u>1.8%</u>
<b>Total Operating</b>	85.7	88.5	93.3	94.5	1.3%	97.7	3.4%



The FY14 total operating budget for the Wastewater System is increasing by \$1.2 million or 1.3% over the FY13 amended budget. In FY14, rising costs related to labor such as employee benefits for health care and retirement, fees, licenses and plant operating costs are partially offset due to fewer funded positions and lower chemical costs. Debt service costs are anticipated to be approximately \$0.2 million less than FY13 primarily due to recent bond refinancing in FY13.

In FY15, the total operating budget will increase \$3.1 million or 3.3% over the FY14 budget. Of this increase, debt service represents a \$0.6 million increase over FY14. The remaining \$2.5 million is due to rising labor-related costs such as employee health care and retirement, overhead reimbursements to the Water System plus increases in operational expenditures such as chemicals, sewer pipe cleaning, energy, fees and licenses.

The following table presents the total FY14-15 Wastewater System operating budget.

DEPARTMENTS (\$000's)	FY13 Amended Budget	FY14 Adopted Budget	Budget % Change	FY15 Adopted Budget	Budget % Change
Wastewater Department	62,563	62,503	-0.1%	64,019	2.4%
<b>Subtotal Staffed Departments</b>	<b>62,563</b>	<b>62,503</b>	<b>-0.1%</b>	<b>64,019</b>	<b>2.4%</b>
Contingency	300	1,645		2,639	
Additional Hiring Freeze Savings	(120)				
<b>Net Department Expense</b>	<b>62,743</b>	<b>64,148</b>	<b>2.2%</b>	<b>66,658</b>	<b>3.9%</b>
Less: Administration of Capital	(3,300)	(3,300)	0.0%	(3,300)	0.0%
<b>Subtotal Operating Budget</b>	<b>59,443</b>	<b>60,848</b>	<b>2.4%</b>	<b>63,358</b>	<b>4.1%</b>
Plus: Debt Service	33,868	33,688	-0.5%	34,306	1.8%
<b>TOTAL OPERATING BUDGET</b>	<b>93,311</b>	<b>94,536</b>	<b>1.3%</b>	<b>97,664</b>	<b>3.3%</b>

The chart below illustrates the Wastewater department operating budget by category. It does not include capitalized labor.

FY14-15 DEPARTMENT OPERATING BUDGET BY CATEGORIES								
(\$000's)								
Department	FY14				FY15			
	Labor Costs	Contract Services	All Other Costs	Total Budget	Labor Costs	Contract Services	All Other Costs	Total Budget
Wastewater	35,642	2,053	24,808	62,503	36,400	2,236	25,383	64,019
<b>TOTAL</b>	<b>35,642</b>	<b>2,053</b>	<b>24,808</b>	<b>62,503</b>	<b>36,400</b>	<b>2,236</b>	<b>25,383</b>	<b>64,019</b>



## Department Operating Budget

### HIGHLIGHTS

In FY14, the Wastewater staffed department cost is \$0.06 million or 0.1% less compared to the prior fiscal year. The major drivers placing pressure on the staffed department's operating budget include:

- Personnel costs represent a net decrease of \$0.3 million.
  - Total personnel costs are increasing \$1.4 million. The increase is primarily attributed to a shift in personnel costs from capital work to the operating budget (\$0.5 million), employee benefit cost increase (\$0.6 million) for health care and the District's contribution to the Retirement System, and scheduled step increases including shift differential pay (\$0.3 million). The employee benefit rate is changing from 65.7% to 69.1%.
  - Planned offsets of \$1.7 million are realized by fewer funded positions and the partial year funding of vacant positions to account for the time associated with recruitment.
- Non-labor costs represent a net increase of \$0.2 million.
  - Operating costs are anticipated to increase \$1.2 million. This increase is primarily attributed to the new turbine and gas conditioning system (\$0.4 million), fees and licenses (\$0.3 million), overhead reimbursements from Wastewater to the Water System (\$0.3 million), spoils and sludge disposal (\$0.1 million), and computer software (\$0.1 million).
  - These increases are offset by a reduction in chemical costs of \$1.0 million due to increased efficiencies and favorable unit prices.

In FY15, staffed department costs increased \$1.5 million or 2.4% compared to FY14. The major cost drivers in FY15 are:

- Personnel costs represent a net increase of \$0.7 million.
  - The increase is primarily attributable to employee benefit costs are increasing (\$0.5 million) for health care and the District's contribution to the Retirement System and additional labor costs (\$0.2 million) for scheduled step increases. The employee benefit rate is changing from 69.1% to 71.5%.
- Non-labor costs represent a net increase of \$0.8 million.
  - Operating costs such as chemicals (\$0.2 million), overhead reimbursements from Wastewater to the Water System (\$0.2 million), sewer pipe cleaning costs associated with the interceptor cleaning plan (\$0.2 million), energy (\$0.06 million), spoils and sludge disposal (\$0.08 million), and fees and licenses (\$0.04 million).

## WASTEWATER DEPARTMENT

### MISSION

Operate and maintain District wastewater treatment facilities to comply with environmental and public health requirements. Protect the environment by reducing or eliminating the discharge of toxic and noxious substances to the air, land and San Francisco Bay. Maximize reuse of wastewater and treatment by-products and ensure public health and safety by complying with federal, state and local regulations regarding air, biosolids and water. Ensure reasonable rates and charges based on economical, reliable operations.

### DESCRIPTION OF SERVICES PROVIDED

The Wastewater Department is responsible for operating and maintaining the wastewater treatment plant; testing and reporting analytical results on water, wastewater, and hazardous waste samples; maintaining the wastewater infrastructure; and monitoring discharges by all wastewater customers. There are four divisions in the Wastewater Department: Wastewater Engineering, Treatment, Environmental Services, and Laboratory Services.

### DEPARTMENT BUDGET SUMMARY

A comparison of the department's operating budget is shown in the chart below.

Category \$000's	FY13 Amended Budget	FY13 Oblig vs Bud at 50% of yr	FY14 Budget	FY14 vs FY13	FY15 Budget	FY15 vs FY14
Personnel Costs	35,942	51.0%	35,642	-0.8%	36,400	2.1%
Contract Services	1,709	35.0%	2,053	20.1%	2,236	8.9%
All Other Costs	24,913	47.0%	24,808	-0.4%	25,383	2.3%
<b>Total Operating</b>	<b>62,564</b>	<b>49.0%</b>	<b>62,503</b>	<b>-0.1%</b>	<b>64,019</b>	<b>2.4%</b>
Capitalized Labor	9,729	48.7%	9,083	-6.6%	9,247	1.8%
<b>Total Department</b>	<b>72,293</b>	<b>48.9%</b>	<b>71,586</b>	<b>-1.0%</b>	<b>73,266</b>	<b>2.3%</b>

### BUDGET HIGHLIGHTS

The Wastewater department's operating budget in FY14 is decreasing \$0.06 million or 0.1% compared to FY13. In FY15, the operating budget will increase \$1.5 million or 2.4% over the previous year. Significant budget changes include:

#### FY14

Contract services are increasing approximately \$0.3 million due to the maintenance performance and meeting air quality regulations for the new turbine and gas conditioning system to utilize excess gas from the anaerobic digesters.

FY15

Personnel costs will increase approximately \$0.7 million primarily due to labor and benefit rate escalation costs and scheduled step increases. Contract services will increase (\$0.2 million) for the cleaning of large diameter gravity sewer pipes in accordance with the interceptor cleaning plan. All other costs are anticipated to increase approximately \$0.6 million for plant operating costs such as chemicals (\$0.2 million), energy (\$0.06 million), spoils and sludge disposal (\$0.08 million). In addition, the Department's share of reimbursable costs will increase by \$0.3 million to the Water System such as billing and collection, finance, human resources, risk management, and rent paid to the District's Water System.

**STAFFING SUMMARY**

The chart below describes the staffing of the department.

<b>Position Type</b>	<b>FY13 Staffing</b>	<b>FY14 Staffing</b>	<b>FY14 vs FY13</b>	<b>FY15 Staffing</b>	<b>FY15 vs FY14</b>
<b>Full Time</b>	<b>279.0</b>	<b>279.0</b>	<b>0.0</b>	<b>279.0</b>	<b>0.0</b>
<b>Limited Term / Temp Const</b>	<b>7.0</b>	<b>7.0</b>	<b>0.0</b>	<b>7.0</b>	<b>0.0</b>
<b>Temporary / Part-Time / Intermittent</b>	<b>1.0</b>	<b>1.0</b>	<b>0.0</b>	<b>1.0</b>	<b>0.0</b>
<b>TOTAL POSITIONS</b>	<b>287.0</b>	<b>287.0</b>	<b>0.0</b>	<b>287.0</b>	<b>0.0</b>
<b>TOTAL FTE</b>	<b>286.5</b>	<b>286.5</b>	<b>0.0</b>	<b>286.5</b>	<b>0.0</b>

**STAFFING**

The chart below provides the FTE by department and compares the change in full-time equivalent positions.

<b>FY14-15 STAFFING BY DEPARTMENT</b> Positions by Full-Time Equivalent (FTE)					
<b>Department</b>	<b>FY13 Amended</b>	<b>FY14</b>	<b>FTE Change</b>	<b>FY15</b>	<b>FTE Change</b>
<b>WASTEWATER SYSTEM</b>	<b>286.5</b>	<b>286.5</b>	<b>0.0</b>	<b>286.5</b>	<b>0.0</b>

**BARGAINING UNIT CHANGES**

The following tables show by department the net change in bargaining unit status of authorized positions represented by AFSCME Local 2019, AFSCME Local 444, AFL/CIO Local 21, and IUOE Local 39; or included in Management/Confidential and other Non-represented groups. The charts reflect all staffing changes for FY14 and FY15.

<b>FY 14 vs. FY 13 Net Change in Bargaining Unit Status</b>							
<b>Department</b>	<b>Local 2019</b>	<b>Local 444</b>	<b>Local 21</b>	<b>Local 39</b>	<b>Mgmt / Confidential</b>	<b>Non-Rep</b>	<b>Exempt</b>
Wastewater	-	-	-	-	-	-	-
<b>Total Net Change</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

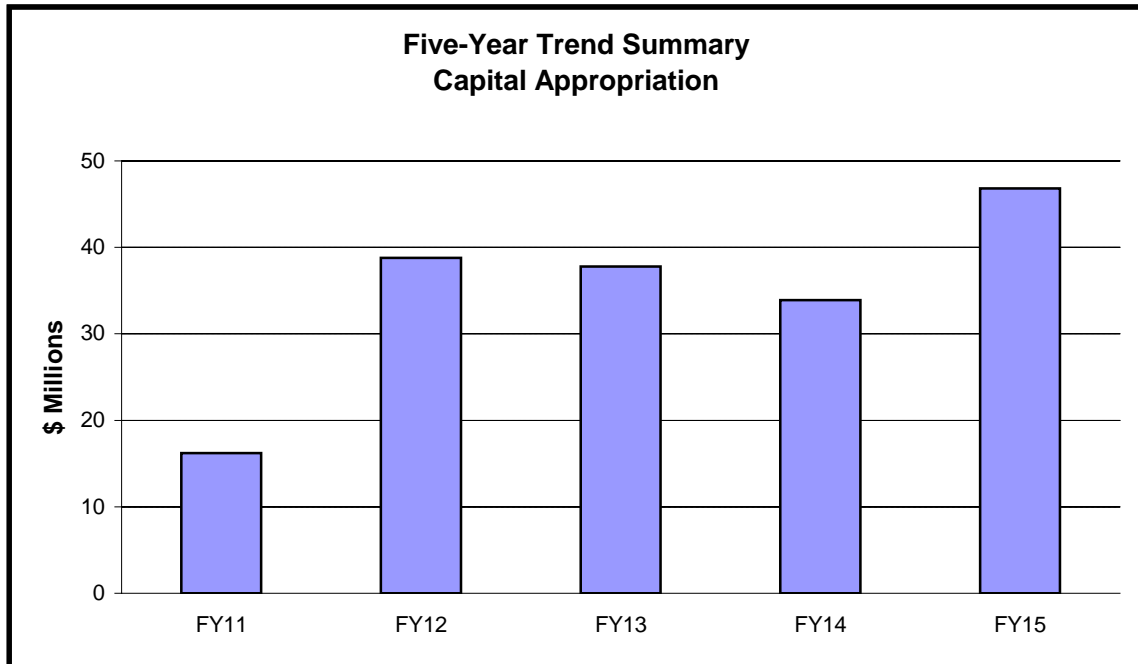
<b>FY 15 vs. FY 14 Net Change in Bargaining Unit Status</b>							
<b>Department</b>	<b>Local 2019</b>	<b>Local 444</b>	<b>Local 21</b>	<b>Local 39</b>	<b>Mgmt / Confidential</b>	<b>Non-Rep</b>	<b>Exempt</b>
Wastewater	-	-	-	-	-	-	-
<b>Total Net Change</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## CAPITAL EXPENDITURES

### Capital Budget Overview

Capital appropriations represent the amounts approved by the Board to be spent on projects in the Capital Improvement Program. Since these appropriations are often spent over multiple years, the amounts appropriated each year tend to vary depending upon project scope and timing, and the amount of unspent appropriation in the project. For the five years, FY11-15, the capital appropriation averages \$34.7 million per year including administrative and general expenses.

The Wastewater System's FY14 Capital Improvement Program appropriation totals \$33.9 million, which represents a decrease of \$3.9 million from FY13. This year's appropriation request reflects the District's continued commitment to capital improvements that focus on maintaining and improving the infrastructure at the main wastewater treatment plant, and rehabilitating various sewer interceptors. In FY15, the Capital Improvement Program appropriations are increasing from FY14 by \$12.9 million to \$46.8 million.



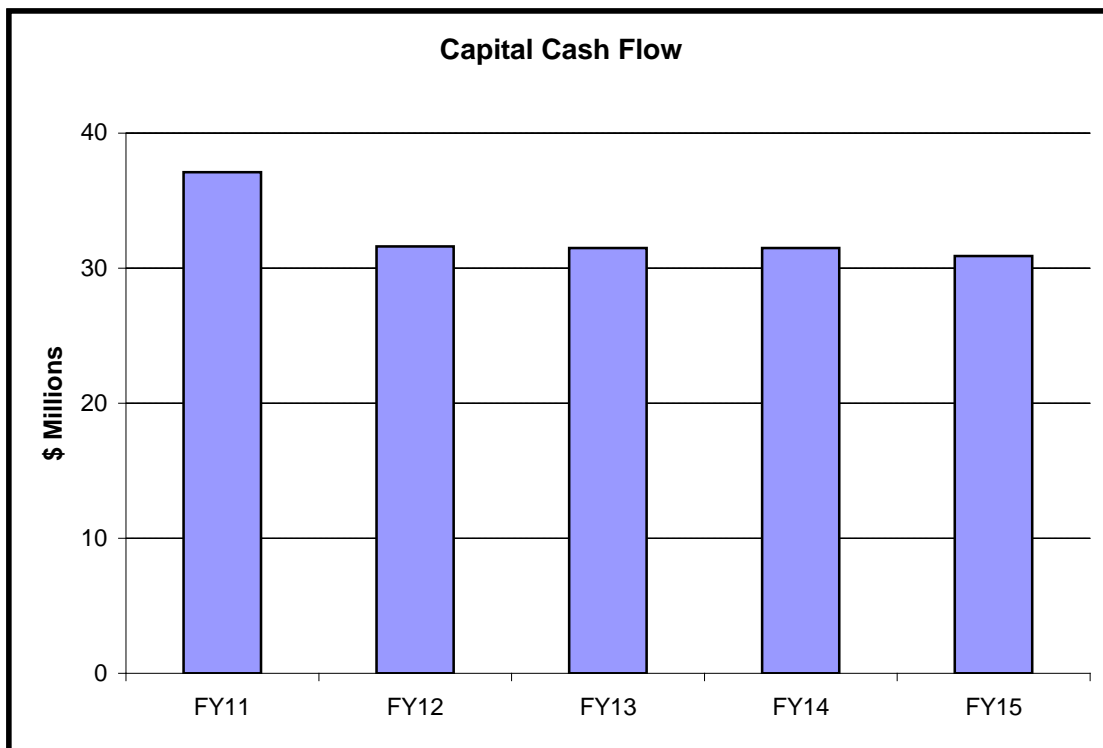
Capital Appropriation (\$ Millions)							
	FY11 Amended Budget	FY12 Amended Budget	FY13 Amended Budget	FY14 Adopted Budget	FY14 vs FY13 %Change	FY15 Adopted Budget	FY15 vs FY14 %Change
<b>Capital Appropriation*</b>	16.2	38.8	37.8	33.9	-10.3%	46.8	38.1%

\* with Admin and General

## Capital Cash Flow

Capital cash flows represent the amounts projected to be spent each fiscal year on projects in the Capital Improvement Program. The amount of cash flow each year varies as projects progress from one phase to another, such as from planning to design and then construction, and as projects are completed and new ones started. For the five years FY11-15, the capital cash flow averages \$32.5 million per year including administrative and general expenses.

The Wastewater System's FY14 cash flow totals \$31.5 million, which is the same as in FY13. While there is no change in the cash flow, the amount spent in FY13 for digester upgrades and resource recovery will decrease in FY14, and the amount spent for improving the treatment plant infrastructure, power generation system and the sewer interceptors will increase. In FY15, the cash flow is decreasing slightly by \$0.6 million or less than 2% to \$30.9 million, primarily as the result of work to prevent corrosion of the sewer interceptors will be winding down.



Capital Cash Flow (\$ Millions)							
	FY11 Amended Budget	FY12 Amended Budget	FY13 Amended Budget	FY14 Adopted Budget	FY14 vs FY13 %Change	FY15 Adopted Budget	FY15 vs FY14 %Change
Capital Cash Flow *	37.1	31.6	31.5	31.5	0.0%	30.9	-1.9%

\* with Admin and General

## Capital Labor

The following chart shows the capital labor budget for the Wastewater Department for capital work.

<b>Capital Labor By Department (\$000s)</b>					
<b>DEPARTMENTS</b>	<b>FY13 Amended Budget</b>	<b>FY14 Adopted Budget</b>	<b>Budget % Change</b>	<b>FY15 Adopted Budget</b>	<b>Budget % Change</b>
Wastewater	9,729	9,083	-6.6%	9,247	1.8%
<b>Departments Total</b>	<b>9,729</b>	<b>9,083</b>	<b>-6.6%</b>	<b>9,247</b>	<b>1.8%</b>

The FY14 Wastewater Department capital labor budget is decreasing \$0.6 million compared to FY13 primarily due to a shift in personnel costs from capital work to the operating budget and fewer budgeted positions. In FY15, the capital labor budget will increase approximately \$0.2 million primarily due to benefit rate escalation costs and scheduled step increases.

## Capital Program Highlights

The FY14-18 Wastewater System Capital Improvement Program (CIP) requires \$157.2 million in project appropriations, excluding administrative and general expenses. This represents a \$6.1 million or 4.1% increase from the FY12-16 CIP. In accordance with the District's ten-year capital budget planning horizon, approximately \$180 million has been tentatively identified for FY19-23. Key aspects of this future work are discussed in the program and project summaries below. These future year estimates will be revised as plans and studies are completed, priorities are redefined, and as new needs emerge. Therefore, the focus of the capital budget is on the first five years of the CIP.

The table below highlights the focus of the CIP by Strategy.

<b>FY12-16 vs. FY14-18 Appropriation Capital Improvement Program by Strategy</b> (\$000's)					
<b>Strategy</b>	<b>FY12-16</b>	<b>FY14-18</b>	<b>Change</b>		<b>% of</b>
	<b>Appropriation</b>	<b>Appropriation</b>	<b>\$</b>	<b>%</b>	<b>FY14-18</b>
Maintaining Infrastructure	119,070	132,134	13,064	11.0%	84%
Regulatory Compliance	32,003	16,508	-15,495	-48.4%	11%
Non-Program Specific	0	8,552	8,552	0.0%	5%
<b>Wastewater Total</b>	<b>151,073</b>	<b>157,194</b>	<b>6,121</b>	<b>4.1%</b>	<b>100%</b>

The Wastewater System appropriations focus on the Maintaining the Infrastructure Strategy which comprises 84% of the Wastewater System's CIP appropriations. The Wastewater System strategies are summarized below, with select projects discussed in more detail.



## MAINTAINING THE INFRASTRUCTURE STRATEGY

This strategy furthers the District's objectives to replace aging infrastructure and to make infrastructure improvements to ensure delivery of reliable, high quality service now and in the future at both the Main Wastewater Treatment Plant (MWWTP) and at remote wastewater facilities. The majority of the work focuses on rehabilitating the digesters, sections of the sewer interceptor system, concrete structures at the MWWTP, and implementing odor control improvements. The program included in this strategy is:

Appropriations (\$000's)						
Program	FY14	FY15	FY16	FY17	FY18	Total
Maintaining the Infrastructure Program	22,226	42,334	22,065	10,979	34,530	132,134
<b>Total Strategy</b>	<b>22,226</b>	<b>42,334</b>	<b>22,065</b>	<b>10,979</b>	<b>34,530</b>	<b>132,134</b>

### Maintaining the Infrastructure Program

The Digester Upgrade Project will rehabilitate the digesters which perform a key role in stabilizing wastewater solids prior to disposal. Phase 1 was completed in FY09 and rehabilitated four primary digesters with new covers and mixers. The second phase is ongoing and construction will be completed in FY14. The second phase will rehabilitate four digesters, convert two digesters from secondary to primary, install new blending tanks and a sludge feed system, and construct a new Fats, Oil, and Grease receiving station. The third phase will rehabilitate two digesters, and replace the floating covers with new Dystor covers. Design is scheduled for FY14-15, with construction in FY15-16. Phase 4 includes rehabilitation work on three digesters, and will replace the Dystor cover on one of the digesters. Design is scheduled to begin in FY17, with construction in FY18-20. Phase 5 includes construction of two new digesters and is scheduled for FY20-23.

The Concrete Rehabilitation Project includes rehabilitating critical concrete structures, channels and gates at the MWWTP as sulfides and other constituents in the wastewater have accelerated corrosion of the concrete. Repairing the Plant Effluent Channel is the highest priority and is scheduled to be completed in FY14. Repair of the Primary Tank Channels is being conducted in six phases, with the first two phases completed in FY13. Phases 3 through 6 are scheduled to take place from FY15 through FY20. A condition assessment of the secondary aeration reactor basins was completed in FY11. Repair of the basins will be completed in four phases with the repair of two tanks per year from FY15 through FY21. Rehabilitation of the concrete walls of the secondary clarifiers is scheduled for FY22-23.

The Odor Control Project provides for odor control facilities to improve the air quality in communities along the collection system and at the MWWTP. This project implements improvements that were identified and prioritized in the Odor Control Master Plan that was updated in FY09. Planned work includes replacing the odor control units at the influent pump station in FY14-15; replacing the wet scrubber system at the solids dewatering building with a chemical scrubber in FY15-16; conducting a study of the primary sedimentation basins in FY14 to evaluate potential treatment alternatives with construction occurring in two phases to cover the primary sedimentation tanks and provide new chemical scrubbers starting in FY16 and going through FY23; and replacing the scrubber system at the resource recovery receiving station in FY16-17.

The Treatment Plant Infrastructure Project provides for the cyclical replacement and rehabilitation of various facilities at the MWWTP. Improvements in FY14-18 include replacement

of large variable frequency drives, replacement of influent screens, repair or replacement of flow meters, rehabilitation of the ventilation system in the dewatering building, and the installation of a plant-wide intercom system. The project also includes road modifications at the entrance to the MWWTP to accommodate the City of Oakland's redevelopment of property adjacent to the plant. In FY19, improvements are planned for Engineers Road along the southern edge of the MWWTP which includes widening Engineers Road, a new intersection with a realigned Wake Avenue, and a new connection to Burma Road.

The Interceptor Rehabilitation program includes several projects to rehabilitate portions of the interceptor system that is now approaching 60 years of service. In FY14, potential methods for corrosion prevention in the interceptor system will be evaluated, and existing cathodic protection systems will be rehabilitated and new ones installed as needed to prevent corrosion. The Wood Street segment of the South Interceptor in Oakland had one section rehabilitated in 2000. Construction is underway to rehabilitate the remainder of this two-mile, 105-inch concrete interceptor and is scheduled for completion in FY16. The Versailles and Alameda Interceptors will be rehabilitated in FY14-16, and the 3<sup>rd</sup> Street Interceptor in Oakland in FY15-19.

The Motor Control Center (MCC) Replacement Project provides for the cyclical replacement of all MCCs that are at the end of their service life. The most critical MCC will be replaced in FY14, along with an assessment of MCCs at the MWWTP and installation of arc flash kits at certain MCCs. In FY17-18, MCCs will be replaced at the Reactor Deck (oxygenation tank) and the Operations Center. In FY19-20, MCCs at the Digester Control Building will be replaced.

The Centrifuge Replacement Project provides for the cyclical replacement of centrifuges for dewatering the solids processed by the digesters. A fifth centrifuge was installed in FY09. The replacement of the first of the four original centrifuges with a high-speed unit was completed in FY11. Replacement of the second original centrifuge and related equipment such as the feed pump, cake pump, polymer system, mechanical piping, electrical and control systems is scheduled for FY20-22. Replacement of the third centrifuge is scheduled for FY21-23.

The Power Generation Station Expansion Project will expand energy production at the MWWTP from 6 to 10.5 megawatts. With the increase of biogas production due to the Resource Recovery Program, significant quantities of biogas were flared to the atmosphere, precluding the District from utilizing the full potential of this renewable resource. The expansion includes a facility for two turbines, each with a capacity of 4.5 megawatts. One turbine was installed in FY12, and the additional energy can be sold or utilized at the MWWTP to attain 100% energy self-sufficiency. The purchase and installation of the second turbine is planned for FY20-22.

The Pump Station Improvements program provides for the upgrade of various pump stations. The Pump Station Master Plan is being updated to identify and prioritize long-term pump station and collection system improvements, and is scheduled to be completed in FY14. Such improvements may include the replacement of mechanical and electrical equipment; sump pumps and flow meters; the addition of programmable logic controllers and software; access improvements; replacement of discharge piping; etc. Work is scheduled to be performed on Pump Station L in Oakland in FY14-15, Pump Station N in Richmond in 2015, Pump Station M in Alameda in FY17-19, Pump Station C in Alameda in FY19-20, Pump Station H in Oakland in FY19-21, and Pump Station J in Oakland in FY22-23.

## REGULATORY COMPLIANCE STRATEGY

This strategy furthers the District's objectives to operate and maintain facilities to meet all air, land and water discharge requirements; to ensure protection and stewardship of San Francisco Bay; and implement preventative and corrective maintenance programs. The majority of work under this strategy focuses on monitoring and modeling efforts to meet discharge permit requirements, and updating the Wet Weather Master Plan. The program included in this strategy is:

Appropriations (\$000's)						
Program	FY14	FY15	FY16	FY17	FY18	Total
Regulatory Compliance Program	981	0	2,026	11,051	2,450	16,508
<b>Total Strategy</b>	<b>981</b>	<b>0</b>	<b>2,026</b>	<b>11,051</b>	<b>2,450</b>	<b>16,508</b>

### Regulatory Compliance Program

The Infiltration/Inflow Control Project includes work required by the National Pollutant Discharge Elimination System (NPDES) permit, Cease and Desist Order, and Stipulated Order (SO) for Preliminary Relief issued in 2009 for the District's three wet weather facilities. The required work includes flow monitoring and modeling in FY14-15; implementation of the regional private sewer lateral ordinance online system upgrades, the private sewer lateral rebate program, and the interceptor system asset management work plan as required by the SO which is ongoing and projected to continue over the next ten years. An engineering study to evaluate the potential application of Real Time Control systems to improve overall integration and operation of the interceptor system, wet weather facilities, MWWTP Influent Pump Station and wet weather storage basins will take place in FY14.

The Wet Weather Plant Improvements Project addresses upgrades at the Wet Weather Treatment Facilities (WWF) required to improve operations. It includes chemical system improvements to the WWFs at Oakport and San Antonio Creek in Oakland. Work has begun to replace the existing suction and discharge piping and associated valves and pressure relief systems for the sodium hypochlorite and sodium bisulfite chemical feed systems. The work is scheduled for completion in FY15.

The North Interceptor Pump Station Q Project (PS Q) involves the design and construction of modifications to allow dual operation of PS Q for use as either a gravity relief sewer (north to south flow) or a forcemain (south to north flow). Based on wet weather flow modeling work, discharges from the wet weather facilities may be reduced by operating the PS Q forcemain as a gravity sewer with relatively minor modifications. This work is scheduled for FY17-18.

## NON-PROGRAM SPECIFIC STRATEGY

This strategy furthers the District's objective to maintain a strong financial position to meet short and long-term needs. The contingency program focuses on making funds available for unanticipated needs, and for projects that are seeking grants to pay for a majority of the project's cost.

Appropriations (\$000's)						
Program	FY14	FY15	FY16	FY17	FY18	Total
Contingency Program	7,372	1,180	0	0	0	8,552
<b>Total Strategy</b>	<b>7,372</b>	<b>1,180</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,552</b>

### Contingency Program

The Contingency Project sets aside funds for unanticipated needs which arise before the next budget preparation cycle. Typical examples of such needs include replacement or repairs to facilities and equipment as a result of failures or safety deficiencies, new projects or the acceleration of planned projects requiring funding before the next budget cycle. Funds are also set aside for projects where grants are being sought in the event that the grant application is successful and funding is received. Most grants require the District to fund the project, and then apply for reimbursement of allowable costs. In FY14, funds will be placed in contingency for making improvements at the food waste facility in the event that potential food waste contracts are procured.

At the Board workshop on April 16, 2013, the Board directed staff to incorporate rate increases above those contained in the proposed budget presented on April 9, 2013. Additional funds related to this increase have been added to contingency for FY14-15.

## **Capital Appropriation Summary**

This section provides a summary of the five-year appropriation for the Wastewater System projects listed in the Capital Improvement Program, sorted by strategy and program. When the CIP is presented to the Board of Directors, the Board approves the overall five-year plan, but adopts just the first two years of the plan. The remaining three years are for planning purposes only and are subject to revision.

### **Department Abbreviations**

The abbreviation for the Lead Department responsible for each capital project is as follows:

WAS – Wastewater Department

Capital Improvement Projects	Lead Dept	Prior Approp	Appropriation					
			FY2014 (000's)	FY2015 (000's)	FY2016 (000's)	FY2017 (000's)	FY2018 (000's)	5 Year Total (000's)
<b>MAINTAINING INFRASTRUCTURE</b>								
<b>WW Infrastructure Program</b>								
3rd Street Sewer Interceptor Rehabilitation	WAS	0	0	24,370	0	0	0	24,370
Alameda Sewer Interceptor Rehabilitation	WAS	0	6,901	0	0	0	0	6,901
Biosolids Improvements Project	WAS	300	0	0	0	0	0	0
Buchanan Street Sewer Interceptor	WAS	1,535	0	0	0	0	0	0
Centrifuge Replacement	WAS	22,641	0	0	0	0	0	0
Collection System Master Plan	WAS	0	0	0	0	250	0	250
Concrete Rehab at SD-1	WAS	13,940	0	732	8,159	5,069	5,338	19,299
DCS Upgrades	WAS	5,869	80	0	1,700	0	0	1,780
Digester Upgrade	WAS	93,407	1,730	8,360	0	1,800	24,100	35,990
Information System Upgrades	WAS	2,210	0	0	0	20	20	40
Interceptor Corrosion Prevention	WAS	6,915	775	0	0	0	0	775
MWWTP Master Plan	WAS	17,968	0	0	0	0	0	0
MWWTP Power Distribution System Upgrade	WAS	13,569	0	0	0	0	0	0
Motor Control Center Replacement	WAS	3,994	0	0	0	0	0	0
Odor Control Improvements	WAS	10,059	0	2,850	7,060	0	200	10,110
Outfall Investigation	WAS	530	0	260	0	0	0	260
PGS Engine Overhaul	WAS	6,112	600	0	1,000	0	0	1,600
PGS Expansion	WAS	37,923	2,063	0	0	0	0	2,063
Plant Pipe Replacement	WAS	2,574	1,676	0	70	250	0	1,996
Procure Emergency Response Equipment	WAS	2,025	0	0	0	0	0	0
Pump Station C Upgrades	WAS	0	0	0	0	0	0	0
Pump Station H Improvements	WAS	6,962	0	0	0	0	0	0
Pump Station J Upgrades	WAS	0	0	0	0	0	0	0
Pump Station L Improvements	WAS	1,490	0	0	0	0	0	0
Pump Station M Improvements	WAS	0	0	0	0	425	1,793	2,218
Pump Station N Upgrades	WAS	0	0	0	0	0	0	0
Pump Station Master Plan	WAS	750	0	520	0	0	0	520
Resource Recovery Project	WAS	24,988	0	0	0	0	0	0
Routine Capital Equipment Replacement	WAS	17,464	500	2,000	2,000	2,000	2,000	8,500

Capital Improvement Projects	Lead Dept	Prior Approp	Appropriation					
			FY2014 (000's)	FY2015 (000's)	FY2016 (000's)	FY2017 (000's)	FY2018 (000's)	5 Year Total (000's)
Scum System Improvements	WAS	1,800	0	0	137	0	0	137
South Interceptor Relocation 5th Ave	WAS	210	0	0	0	0	0	0
So Interceptor Special Structures	WAS	0	0	0	0	0	0	0
Treatment Plant Infrastructure	WAS	40,402	6,776	1,112	1,939	1,165	929	11,921
Vehicle & Equipment Additions	WAS	176	0	0	0	0	0	0
Versailles Interceptor Rehab	WAS	1,000	420	2,130	0	0	0	2,550
WW Energy Management	WAS	1,483	705	0	0	0	150	855
West End Property Development	WAS	610	0	0	0	0	0	0
Wood St. Sewer Interceptor Rehab	WAS	21,014	0	0	0	0	0	0
<b>Program Total</b>		<b>359,920</b>	<b>22,226</b>	<b>42,334</b>	<b>22,065</b>	<b>10,979</b>	<b>34,530</b>	<b>132,134</b>
<b>MAINTAINING THE INFRASTRUCTURE TOTAL</b>		<b>359,920</b>	<b>22,226</b>	<b>42,334</b>	<b>22,065</b>	<b>10,979</b>	<b>34,530</b>	<b>132,134</b>

REGULATORY COMPLIANCE								
<b>WW Regulatory Compliance Program</b>								
Dechlorination Facility Improvements	WAS	2,994	0	0	0	530	0	530
Infiltration/Inflow Control Project	WAS	27,353	250	0	2,026	2,450	2,450	7,176
NPDES Compliance	WAS	7,414	731	0	0	0	0	731
PS Q FM Dual-Mode Operation	WAS	0	0	0	0	8,071	0	8,071
Wet Weather Plant Improvements	WAS	8,022	0	0	0	0	0	0
<b>Program Total</b>		<b>45,783</b>	<b>981</b>	<b>0</b>	<b>2,026</b>	<b>11,051</b>	<b>2,450</b>	<b>16,508</b>
<b>REGULATORY COMPLIANCE TOTAL</b>		<b>45,783</b>	<b>981</b>	<b>0</b>	<b>2,026</b>	<b>11,051</b>	<b>2,450</b>	<b>16,508</b>

NON-PROGRAM SPECIFIC								
Contingency Project	WAS	8,398	7,372	1,180	0	0	0	8,552
<b>Program Total</b>		<b>8,398</b>	<b>7,372</b>	<b>1,180</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,552</b>

<b>TOTAL WASTEWATER SYSTEM PROJECTS</b>		<b>414,101</b>	<b>30,579</b>	<b>43,514</b>	<b>24,091</b>	<b>22,030</b>	<b>36,980</b>	<b>157,194</b>
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## DEBT FINANCING

The District generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the term of the related debt. Revenue supported debt can be authorized by the District's Board of Directors, subject to a referendum process.

### Outstanding Debt

The Wastewater System has a total long-term debt outstanding of \$463.7 million as of June 30, 2013. The District's debt issues are summarized below.

<b>OUTSTANDING DEBT</b>				
(\$000's)				
As of June 30, 2013				
Issue	Date of Issue	Last Maturity	Amount Issued	Debt Outstanding
<b><u>Long-Term Debt</u></b>				
<b>Revenue Bonds:</b>				
Series 2007A	5/16/2007	6/1/2037	80,630	60,630
Series 2007B	5/16/2007	6/1/2026	46,670	35,290
Series 2008C	3/26/2008	6/1/2027	65,300	51,690
Series 2010A	10/20/2010	6/1/2029	58,095	51,705
Series 2010B	10/20/2010	6/1/2040	150,000	150,000
Series 2011A	1/19/2011	6/1/2038	65,905	60,845
Series 2012A	10/10/2012	6/1/2037	20,000	20,000
<b>Total Revenue Bonds</b>	-	-	<b>\$486,600</b>	<b>\$430,160</b>
<b>General Obligations Bonds</b>				
Series F	1/22/2003	4/1/2018	<b>\$41,730</b>	<b>\$18,555</b>
<b>Total Long-Term Debt</b>			<b>\$528,330</b>	<b>\$448,715</b>
<b><u>Short-Term Debt</u></b>				
Extendable Commercial Paper	Various	Various	<b>\$15,000</b>	<b>\$15,000</b>
<b>TOTAL OUTSTANDING DEBT</b>			<b>\$543,330</b>	<b>\$463,715</b>



## Debt Service

Projected as of June 30, 2013, the total Wastewater System outstanding debt of \$463.7 million will cost the District an additional \$348.7 million in interest payments, as detailed in the chart below.

Interest payments on synthetic fixed rate debt were calculated at their associated swap rates plus a spread (if applicable). Interest rates on Extendable Commercial Paper were calculated initially at 2%, then increased to 3% in FY18. Extendable commercial paper has \$0 principal amortization during the period.

<b>Debt Service on Existing Long-Term Debt</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Debt Service</b>
2014	13,580,000	19,356,871	32,936,871
2015	12,770,000	20,394,264	33,164,264
2016	13,680,000	19,661,931	33,341,931
2017	14,405,000	19,079,424	33,484,424
2018	14,560,000	18,615,318	33,175,318
2019	11,180,000	18,023,165	29,203,165
2020	11,655,000	17,578,794	29,233,794
2021	12,090,000	17,164,831	29,254,831
2022	12,595,000	16,680,178	29,275,178
2023	13,125,000	16,175,668	29,300,668
2024	13,645,000	15,679,861	29,324,861
2025	14,210,000	15,131,728	29,341,728
2026	14,810,000	14,560,080	29,370,080
2027	14,825,000	13,963,262	28,788,262
2028	14,630,000	13,332,571	27,962,571
2029	15,325,000	12,633,699	27,958,699
2030	16,060,000	11,895,178	27,955,178
2031	16,855,000	11,115,722	27,970,722
2032	17,665,000	10,297,370	27,962,370
2033	18,540,000	9,438,898	27,978,898
2034	19,455,000	8,524,798	27,979,798
2035	20,410,000	7,583,371	27,993,371
2036	21,405,000	6,595,169	28,000,169
2037	22,440,000	5,558,195	27,998,195
2038	24,845,000	4,470,333	29,315,333
2039	26,295,000	3,255,660	29,550,660
2040	27,660,000	1,888,320	29,548,320
<b>Total</b>	<b>448,715,000</b>	<b>348,654,659</b>	<b>797,369,659</b>

The difference in the debt service from the budgeted amount is because the numbers above relate to existing debt only. In addition, there are debt service costs such as liquidity, re-marketing, basis difference, and debt service administration, which are included in the budget for debt service.

## Debt Ratings

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical credit rating organization.

Strong credit ratings provide tangible benefits to ratepayers in the form of reduced debt service cost. The value of the reduced debt service cost as a result of the Wastewater System's strong credit rating is estimated to be approximately \$1.5 million annually. A strong credit rating provides better access to capital markets, lower interest rates and better terms on debt, and access to a greater variety of debt products. Prudent financial management policies have resulted in bond ratings of AAA from Standard & Poor's, Aa2 from Moody's, and AA+ from Fitch.

In FY13, the District successfully remarketed its Wastewater Series 2011A bonds, which are SIFMA-based indexed bonds that were originally issued with a 12-month mandatory repurchase. As a reflection of the bond investor's confidence in the District's strong credit rating, the District was able to remarket these bonds with an extended 30-month repurchase date.

As of January 1, 2013, the Wastewater System's Debt Ratings were as follows:

<b>Wastewater System Debt Ratings</b>			
<b>District Debt by Type</b>	<b>Rating by</b>		
	<b>Standard &amp; Poor's</b>	<b>Moody's Investors Service</b>	<b>Fitch</b>
<b>Wastewater System</b>			
General Obligation Bonds	AAA	Aa2	-
Fixed Rate Revenue Bonds	AAA	Aa2	AA+
Variable Rate Revenue Bonds			
Long-term Underlying Rating	AAA	Aa2	AA+
SIFMA-Based Index Bonds	A-1+	VMIG-1	F1+
Extendable Commercial Paper	A-1+	P-1	F1+

## Debt Policy and Coverage

The District is subject to legal debt limits prescribed in the MUD Act. The MUD Act describes three types of legal limitations: general debt limits, revenue bond limits, and short term borrowing limits.

The District's indebtedness can not exceed the ordinary annual income and revenue of the District without a 2/3rds approval of the voters to incur excess indebtedness. However, revenue bonds are not included in general debt limits. Nor can the District incur an indebtedness which exceeds 20 percent of the assessed value of the real property of the District.

The MUD Act authorizes the District to issue Revenue Bonds with the approval of a resolution from the Board of Directors specifying the maximum principal amount of bonds to be issued.

The MUD Act authorizes the District to issue short-term indebtedness without an election of the voters. The amount of short-term borrowing can not exceed the lesser of 1) the annual average total revenue of the three preceding years or 2) 25% of the District's total outstanding bonds. This provision is substantially the same as the District's internal policy discussed below.

The District has also established its own policy regarding debt management (Policy 4.02: Cash Reserves and Debt Management – see Appendix). The purpose of the debt policy is to maintain a balance between current funding sources and debt financing over each five-year plan horizon to retain the District's financing flexibility. Flexibility allows the District to use a variety of revenue or debt-financing alternatives, including issuing low cost variable rate and other revenue supported debt.

The District's debt management policy is to:

- a) maintain an annual revenue bond debt coverage ratio of at least 1.6 times coverage;
- b) limit debt-funded capital to no more than 65 percent of the total capital program over each five-year planning period; and
- c) limit commercial paper / variable rate debt to 25 percent of outstanding long-term debt.

In order to comply with the debt management policy, the District has taken the following measures:

### *a) Debt Coverage Ratio*

This policy ensures that the District has sufficient annual operating revenues to pay its operating expenses and meet its debt service obligations on its revenue bonds and other senior debt. The revenue bond debt coverage ratio is defined as the District's net operating revenue (current year's operating revenue less the current year's operating expenses) divided by the current year's debt service on all revenue bonds and other senior debt. In FY14 and FY15, the projected debt coverage ratio is 1.52 and 1.65 respectively.

*b) Debt-Funded Capital*

Starting in FY14 and FY15, the percentage of capital that is funded by debt will decrease. The projected average percentage of capital funded from debt will be 15.5% over the five-year period, lower than the financial policy maximum target of 65%.

<b>Debt Percentage of Funding</b>		
(\$ Millions)		
	<u>FY14</u>	<u>FY15</u>
<b>Expenditures:</b>		
Capital improvements (discounted)	28.2	27.6
A & G expenses	<u>3.3</u>	<u>3.3</u>
<b>Total expenditures</b>	<b>31.5</b>	<b>30.9</b>
<b>Project Funding:</b>		
New Bond Funded	0	0
Prior Bond Funded	3.5	0
Grants and Loans Funded	0	0
Reimbursements Funded	0	0
Rate Funded	<u>28.0</u>	<u>30.9</u>
<b>Total resources</b>	<b>31.5</b>	<b>30.9</b>
<b>Debt percentage of funding</b>	<b>11.1%</b>	<b>0.0%</b>

*c) Commercial Paper and Variable Rate Debt Ratio*

The District has authorized a short-term extendable commercial paper borrowing program of up to the lesser of either (1) the annual average of the total revenue for the three preceding years or, (2) 25% of the District's outstanding bonds. Under this program, the Wastewater System may issue commercial paper notes at prevailing interest rates for periods of not more than 120 days from the date of issuance with the option by the District to extend the maturity for another 150 days. The program is not supported by any liquidity or revolving credit agreement. The Wastewater System Commercial Paper Notes are payable from and secured by a pledge of the System's revenues on a basis subordinate to the Wastewater System revenue bonds.

On June 30, 2013, \$15.0 million of commercial paper notes were outstanding under the program, with an average weighted remaining life to maturity of 76 days. The proceeds from the issuance of commercial paper are restricted for construction purposes only. There were no unused proceeds on June 30, 2013.

Wastewater System Commercial Paper debt at the close of FY13 will comprise approximately 3.3 percent of the approximately \$448 million in outstanding long-term bonds.

Variable rate debt at the close of FY13 will be approximately \$113 million. Going forward, the Wastewater System will only issue fixed-rate debt (if any) to finance its construction program.

# FIVE-YEAR FINANCIAL FORECAST

## SUMMARY

The five-year financial forecast presents the estimated impact of operations, debt service requirements and reserve balances on rate projections over the five-year period.

This forecast is built upon:

- Adopted District financial policies
- Capital investments in the FY14-FY18 Capital Improvement Program

This forecast identifies a series of rate increases for the Wastewater System based on estimated increases in operating and capital expenditures to maintain current service levels, meet mandated program requirements, and fund increased debt service due to capital expenditures.

Revenues are forecast to increase by 4.8% annually over the five-year period to cover the increases in operating expenses and debt service, and maintain a minimum of 1.6 times coverage on revenue bond debt service beginning in FY15. Forecasted operating expenses are expected to grow by an average of approximately 4.4% per year during the five-year period, and debt service grows by an average of 1.1% per year.

The key factors driving the need for increased Wastewater System revenues are:

- Inflation
- Increasing labor and benefits costs
- Projected reductions in non-treatment revenue

For all five years, the cash reserves exceed the cash reserve targets. Reserves in excess of those needed to meet financial reserve targets are available to pay for a portion of the capital program expenses.

Capital cash flow spending, including administrative and general expenses, is projected at \$155.1 million over the five-year period. Major programs or projects to be undertaken during this period include: Treatment Plant Infrastructure (\$21 million); 3<sup>rd</sup> Street Sewer Interceptor Rehabilitation (\$19 million); Odor Control Improvements (\$17 million); Concrete Rehabilitation (\$17 million); and Digester Upgrades (\$16 million).

The projected average percentage of capital funded from debt will be 15.5% over the five-year period, lower than the financial policy maximum target of 65%. In FY14 and FY15, the debt coverage ratio will be 1.54 and 1.69, respectively, and for FY15 through FY18, the ratio meets or exceeds the targeted coverage rate of 1.6.

## OPERATING BUDGET

The following table shows the financial forecast for the Wastewater System based on projected operations and maintenance expenses and debt service requirements.

<b>WASTEWATER SYSTEM FUND – OPERATING BUDGET</b>							
<b>FIVE-YEAR FINANCIAL FORECAST</b>							
(\$ Millions)							
	<b>Actual FY12*</b>	<b>Budget FY13*</b>	<b>Forecast</b>				
			<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>
<b>Beginning Balance</b>	<b>53.2</b>	<b>80.2</b>	<b>73.4</b>	<b>60.5</b>	<b>48.7</b>	<b>40.3</b>	<b>41.6</b>
Treatment Charges	53.1	56.3	61.5	66.9	70.8	74.6	78.4
Resource Recovery	9.1	7.3	7.0	6.5	6.0	6.0	6.0
Wet Weather Facilities charge	17.2	17.9	19.8	21.5	22.6	23.7	24.9
Property Taxes	4.2	3.7	4.1	4.2	4.3	4.4	4.6
Ad Valorem Bond Levy	4.1	4.1	4.2	4.3	4.4	4.5	4.0
Interest Income	0.5	2.5	0.4	0.7	0.9	0.8	0.8
Laboratory Services	3.8	3.7	3.7	3.8	3.9	4.1	4.2
Reimbursements	1.4	0.9	0.9	0.9	0.9	0.9	0.9
Permit Fees	1.8	1.8	1.9	1.9	2.0	2.1	2.2
Capacity Charge	-	-	1.5	1.5	1.5	1.5	1.5
All Other Revenue	4.1	6.1	4.6	4.6	4.6	4.6	4.6
<b>Operating Revenues Total</b>	<b>99.3</b>	<b>104.3</b>	<b>109.6</b>	<b>116.8</b>	<b>121.9</b>	<b>127.2</b>	<b>132.1</b>
Operations & Maintenance Expenses	55.5	59.4	60.8	63.4	66.1	69.1	72.2
Debt Service	30.8	33.9	33.7	34.3	34.2	35.6	35.2
Less Revenue Funded Capital	5.5	0.0	28.0	30.9	30.0	21.2	21.0
<b>Expenses Total</b>	<b>91.8</b>	<b>93.3</b>	<b>122.5</b>	<b>128.6</b>	<b>130.3</b>	<b>125.9</b>	<b>128.4</b>
<b>Ending Balance</b>	<b>60.7</b>	<b>91.2</b>	<b>60.5</b>	<b>48.7</b>	<b>40.3</b>	<b>41.6</b>	<b>45.3</b>
Target Reserve Balance	19.3	20.1	20.6	21.3	22.1	23.0	24.0
* FY 12 and FY13 Budget does not reflect actual balances at the beginning and end of the fiscal year.							

The following table shows the key assumptions used to create the revenue forecast.

<b>WASTEWATER SYSTEM FUND – KEY ASSUMPTIONS</b>							
<b>FIVE-YEAR FINANCIAL FORECAST</b>							
(\$ Millions)							
	<b>Actual FY12</b>	<b>Budget FY13</b>	<b>Forecast</b>				
			<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>
% Rate Increase	6.00%	6.00%	9.00%	8.50%	5.00%	5.00%	5.00%
Debt Service Coverage	1.52	1.44	1.54	1.69	1.76	1.75	1.83
Average Monthly Single Family Residential Bill (\$) Based on 10 ccf/month	\$15.56	\$16.48	\$17.79	\$19.25	\$20.21	\$21.22	\$22.28

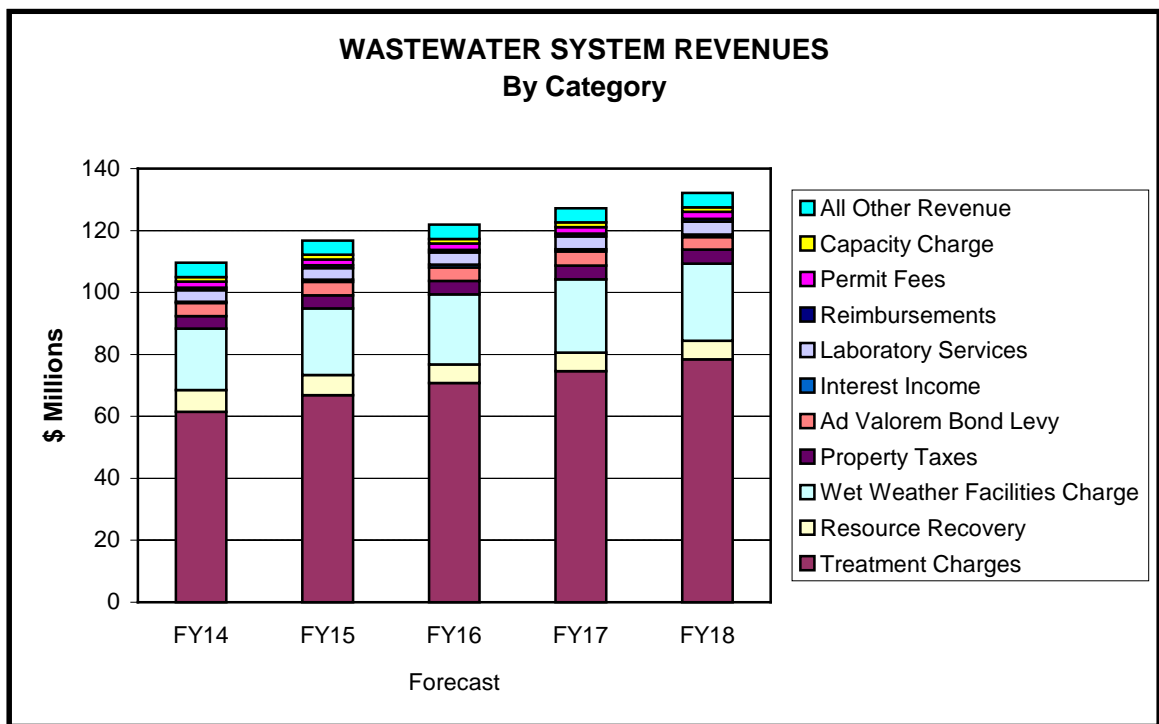
## Five Year Projection of Revenues

The key factors driving the need for increased Wastewater System revenues are: inflation; increasing labor and budget costs; and projected reductions in non-treatment revenue. Wastewater System revenues will be used to pay for an increasing amount of capital expenditures on a pay-as-you-go basis.

Projected annual operating revenues are expected to increase from \$109.6 million in FY14 to \$132.1 million by FY18, an increase of \$22.5 million or 20.5%. The increase in revenue over the five-year period is to cover increased costs in operations and maintenance costs, debt service requirements, and revenue funding for capital projects.

The major components of the increase in operating revenue during the five-year period are wastewater treatment charges which are projected to increase from \$61.5 million in FY14 to \$78.4 million in FY18 and increases in revenue from the wet weather facilities charge from \$19.8 million in FY14 to \$24.9 million in FY18.

The following charts show projected Wastewater System operating revenues by category for the next five years.



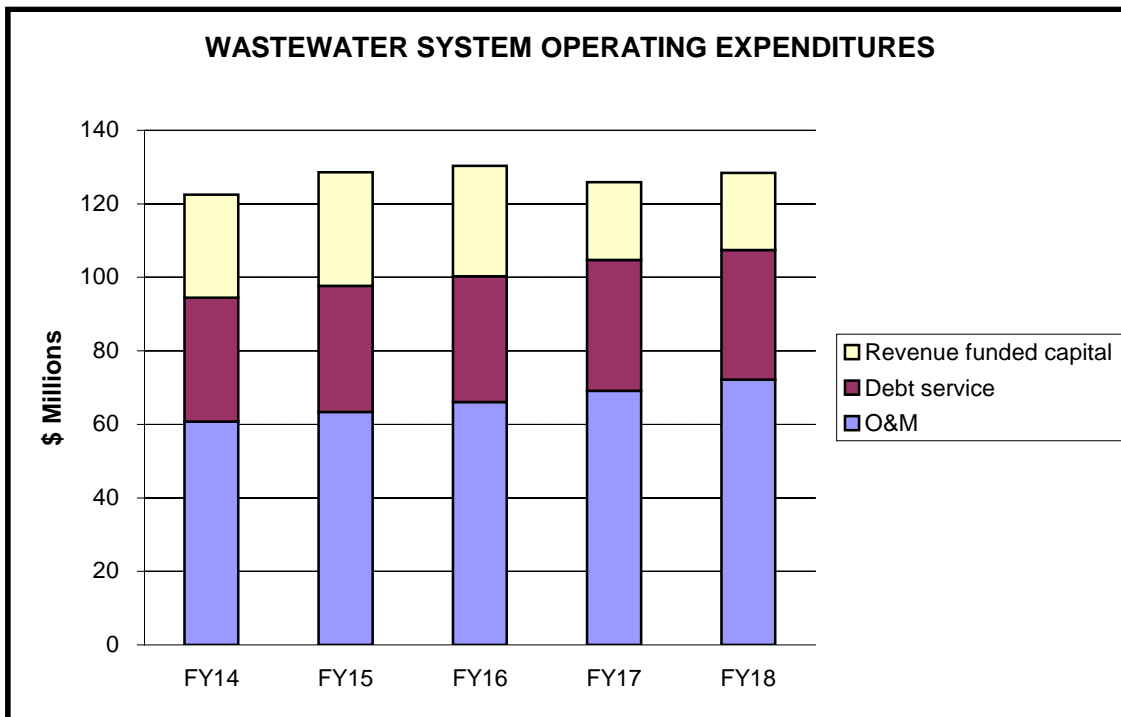
## Five Year Projection of Operating Expenditures

The Wastewater System operations and maintenance (O&M) expenses are projected to increase from \$60.8 million in FY14 to \$72.2 million in FY18, a 4.4% increase per year.

Debt service requirements are expected to increase from \$33.7 million in FY14 to \$35.2 million by FY18, a 1.1% increase annually.

The District uses its rate revenue to cash fund a portion of its annual capital improvement expenses. The amount of revenue funded capital will decrease from \$28.0 million in FY14 to \$21.0 million in FY18, a decrease of 25%. However, the percentage of debt percentage of funding will be 15.5% during the period, well below the policy target maximum of 65%.

This chart summarizes projected Wastewater System expenditures by category for the next five years.





## Five Year Projection of Reserves

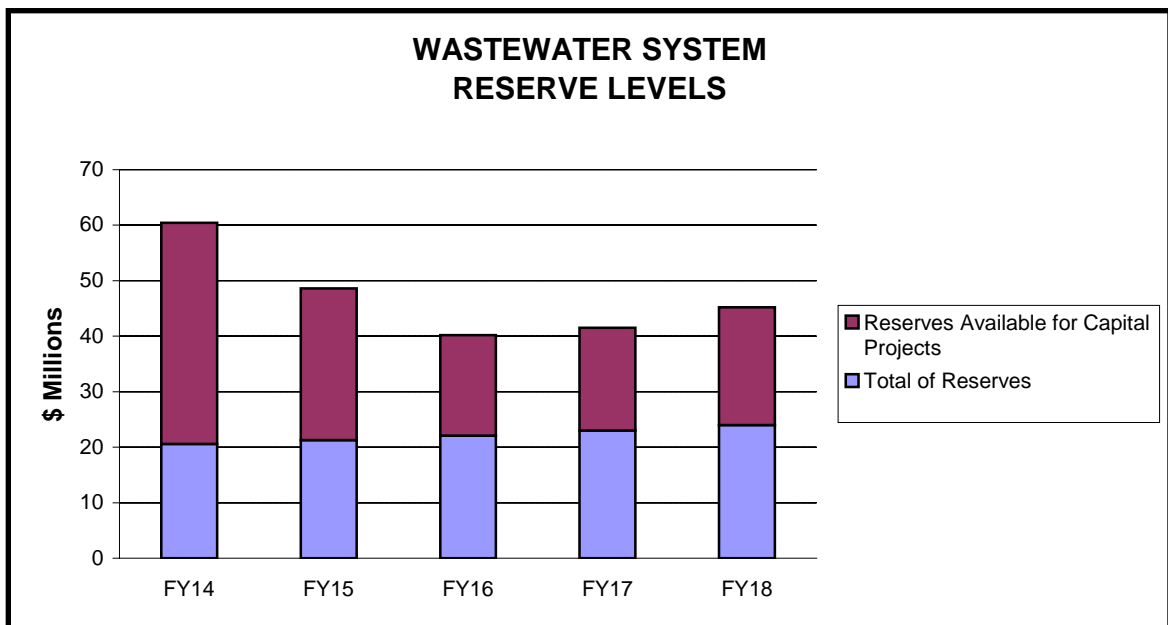
The operating reserves consist of:

- Working capital reserves equal to three months operating and maintenance expenses
- Self insurance reserves at 1.25 times the expected annual expenditures
- Workers' compensation reserves of \$0.6 million in FY14 and \$0.6 million in FY15
- Contingency/rate stabilization reserve of 5% of operating and maintenance expenses

The table below shows the changes to reserve components over the five-year period. Reserve balances meet or exceed the target levels for the entire period.

RESERVE COMPONENTS	Projected				
	FY14	FY15	FY16	FY17	FY18
<b>Projected Operating Budget Reserves</b>	60.4	48.6	40.2	41.5	45.2
Working Capital	15.2	15.8	16.5	17.3	18.1
Self Insurance Reserve	1.7	1.7	1.7	1.7	1.7
Workers' Compensation Reserves	0.6	0.6	0.6	0.6	0.6
Contingency and Rate Stabilization	<u>3.1</u>	<u>3.2</u>	<u>3.3</u>	<u>3.4</u>	<u>3.6</u>
<b>Total of Reserves</b>	20.6	21.3	22.1	23.0	24.0
<b>Reserves Available for Capital Projects</b>	39.8	27.3	18.1	18.5	21.2

The following shows Wastewater System reserve levels projected at the end of each of the next five years.



## **CAPITAL INVESTMENTS AND FINANCING**

The Five-Year Capital Improvement Program (CIP) outlines the Wastewater System capital investment plan for the next five-year period, the estimated cost of these investments and the sources of funds. Appropriations reflect the amount that is authorized and budgeted over a multi-year period for each program. Cash flows are the amounts estimated to be spent on each program in a given year. The five-year program for the Wastewater System includes \$173.7 million in capital project appropriations, including administrative and general expenses, and \$155 million in projected cash flow spending.

The focus of the CIP is the five-year period from FY14-18. Capital needs have been estimated for a second five-year period from FY19-23, but given the long-term nature of these capital improvement plans, by necessity they are preliminary estimates only and will be revised as studies are completed, priorities are redefined, and as new needs emerge. Therefore, the budget focuses on the first five years of the CIP.

The largest portion of the capital resources is being directed to maintaining the District's infrastructure. In the FY14-18 CIP, 84% of the Wastewater System's project appropriations will be for work in this program area to implement preventative and corrective maintenance programs, and to maintain and improve the infrastructure. The majority of this work will focus on rehabilitating and making improvements to the digesters, infrastructure and concrete facilities at the Main Wastewater Treatment Plant, and various sewer interceptors.

Funding for these projects is drawn from the proceeds of revenue bond issues, commercial paper, grants, and current reserves and revenues.

In FY14 and FY15, the debt coverage ratio will be 1.54 and 1.69, respectively, and for FY15 through FY18, the ratio meets or exceeds the targeted coverage rate of 1.6.

The following table shows the cash flow spending on capital improvements anticipated for the next five years, along with the financial resources anticipated to fund the capital program.

<b>WASTEWATER SYSTEM FUND - CAPITAL BUDGET</b>						
<b>FIVE-YEAR FINANCIAL FORECAST</b>						
(\$ Millions)						
	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>Totals</u>
<b>Beginning balance</b>	4.2	0.7	0.7	0.0	9.9	-
<b>Resources:</b>						
Commercial paper issues	0	0	0	0	0	0
New bond issues	0	0	0	20.0	0	20.0
Grants and Loans Proceeds	0	0	0	0	0	0
Reimbursements	0	0	0	0	0	0
Transfer from Operating Revenue	<u>28.0</u>	<u>30.9</u>	<u>30.0</u>	<u>21.2</u>	<u>21.0</u>	<u>131.1</u>
<b>Total resources</b>	<b>28.0</b>	<b>30.9</b>	<b>30.0</b>	<b>41.2</b>	<b>21.0</b>	<b>151.1</b>
<b>Expenditures:</b>						
Capital improvements (discounted)	28.2	27.6	27.4	28	27.4	138.6
A & G expenses	<u>3.3</u>	<u>3.3</u>	<u>3.3</u>	<u>3.3</u>	<u>3.3</u>	<u>16.5</u>
<b>Total expenditures</b>	<b>31.5</b>	<b>30.9</b>	<b>30.7</b>	<b>31.3</b>	<b>30.7</b>	<b>155.1</b>
<b>Ending balance</b>	<b>0.7</b>	<b>0.7</b>	<b>0.0</b>	<b>9.9</b>	<b>0.2</b>	<b>-</b>
<b>Debt percentage of funding</b>	<b>11.1%</b>	<b>0.0%</b>	<b>2.3%</b>	<b>32.3%</b>	<b>31.6%</b>	<b>15.5%</b>

Projected new bond issues, level of outstanding debt and debt service are shown in the following table:

<b>DEBT OUTSTANDING AND DEBT SERVICE AT END OF FISCAL YEAR</b>					
(\$ Millions)					
	<b>FY14</b>	<b>FY15</b>	<b>Forecast</b>		
			<b>FY16</b>	<b>FY17</b>	<b>FY18</b>
Beginning of Year Outstanding Debt	463.7	450.1	437.3	423.6	429.2
Debt Retired	13.6	12.8	13.7	14.4	14.5
New Bond Issues and Commercial Paper	0.0	0.0	0.0	20.0	0.0
<b>Total Outstanding Debt</b>	<b>450.1</b>	<b>437.3</b>	<b>423.6</b>	<b>429.2</b>	<b>414.7</b>
Debt Service, Existing Debt	33.4	33.7	33.9	34.3	33.9
Debt Service, New Debt	0.0	0.0	0.0	1.0	1.0
Debt Servicing Costs	0.3	0.6	0.3	0.3	0.3
<b>Total Debt Service</b>	<b>33.7</b>	<b>34.3</b>	<b>34.2</b>	<b>35.6</b>	<b>35.2</b>

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## **COMMUNITY INFORMATION**

## SERVICE AREA DESCRIPTION AND ECONOMY

The EBMUD service area includes a large part of the urban and suburban development in Alameda and Contra Costa Counties. The service area includes 20 cities and 15 unincorporated communities located on the eastern shore of San Francisco Bay (the “East Bay”) from Carquinez Strait on the north to San Lorenzo on the south, and extending to the east beyond the Oakland-Berkeley hills to Walnut Creek and south through the San Ramon Valley.

The seven largest cities in the service area are:

<b>Alameda County</b>	<b>Contra Costa County</b>
Oakland	Richmond
Alameda	San Ramon
Berkeley	Walnut Creek
San Leandro	

### SEVEN LARGEST CITIES IN SERVICE AREA, ALAMEDA and CONTRA COSTA COUNTIES, and CALIFORNIA Population Trends \*

<b>City/County</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2012</b>
Alameda	63,900	75,900	72,300	75,400	74,640
Berkeley	103,300	102,700	102,700	108,100	114,821
Oakland	339,300	371,100	399,500	430,700	395,341
San Leandro	64,200	68,100	79,500	83,200	86,053
San Ramon	**	35,300	44,700	64,900	74,378
Richmond	74,300	86,600	99,200	105,600	104,887
Walnut Creek	<u>53,300</u>	<u>60,600</u>	<u>64,300</u>	<u>66,600</u>	<u>65,233</u>
Total 7 cities	698,300	800,300	862,200	934,500	915,353
Alameda County	1,105,380	1,274,700	1,443,700	1,574,900	1,532,137
Contra Costa Co	657,250	797,600	948,800	1,073,100	1,065,117
California	23,669,000	29,558,000	33,872,000	38,648,000	37,679,000

\* California Department of Finance, Demographic Research Unit. Population Estimates for California Cities – Released May 1, 2012

\*\* San Ramon unincorporated

The EBMUD service area economy is diversified, and unemployment is below that for the State.

**SEVEN LARGEST CITIES IN SERVICE AREA,  
ALAMEDA and CONTRA COSTA COUNTIES, and CALIFORNIA  
Unemployment Rates \***

<b>City/County</b>	<b>Rate</b>
Alameda	5.6%
Berkeley	7.8%
Oakland	12.5%
San Leandro	8.1%
San Ramon	3.4%
Richmond	13.3%
Walnut Creek	5.5%
Alameda County	8.2%
Contra Costa Co	8.2%
California	9.8%

\*California Employment Development Department – December 2012

**ALAMEDA and CONTRA COSTA COUNTIES  
Major Employers \***

<b>Alameda Co</b>	<b>Major Employers</b>	
Berkeley	Alta Bates Medical Center Berkeley Coin & Stamp Residential & Student Svc Prog	Bayer Corp Lawrence Berkeley Nat'l Lab UC Berkeley
Oakland	Waste Management Alameda County Law Enforcement Bay Area Rapid Transit (BART) CA Dept of Transportation Kaiser Permanente	Alta Bates Summit Medical Ctr Clorox EBMUD Children's Hospital
<b>Contra Costa Co</b>	<b>Major Employers</b>	
Moraga	St Mary's College	Nordstrom's
Richmond	Bayer Pharmaceuticals	Bio-Rad Laboratories
San Ramon	Chevron Corp	Richmond City Offices
Walnut Creek	John Muir Health Foundation Kaiser Permanente	San Ramon Reg Medical Ctr Doctor's Medical Center

\* California Employment Development Department – 2013

**BOARD OF DIRECTORS' RESOLUTIONS**



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## **Resolution – Rates, Charges and Fees**

### **Resolution**

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RESOLUTION NO. 33933-13

ADOPTING WATER SYSTEM SCHEDULE OF RATES AND CHARGES AND  
WASTEWATER SYSTEM SCHEDULE OF RATES AND CHARGES SUBJECT TO  
PROPOSITION 218; APPROVING AN EXEMPTION UNDER THE CALIFORNIA  
ENVIRONMENTAL QUALITY ACT; AND DIRECTING  
STAFF TO FILE A NOTICE OF EXEMPTION

Introduced by Director Linney ; Seconded by Director Patterson

WHEREAS, the Board of Directors is adopting the Fiscal Year 2014 and Fiscal Year 2015 Operating and Capital Biennial Budget for expenditures necessary and advisable for the proper conduct of the activities of the East Bay Municipal Utility District, including funding for needed capital projects and the operation of the water and wastewater systems, and to provide an adequate level of financial reserves and debt service coverage; and

WHEREAS, the General Manager filed with the Board of Directors the Biennial Report and Recommendation of the General Manager Fiscal Year 2014-2015, dated May 14, 2013, recommending revisions to the water and wastewater rates and charges to meet the East Bay Municipal Utility District's revenue requirements for Fiscal Year 2014 and Fiscal Year 2015 including (1) water service charges and flow charges for residential, multi-family, commercial, and industrial customers; (2) water elevation surcharges; (3) water seismic improvement program surcharges; (4) wastewater treatment service charges and flow charges; (5) Schedule A of the Water System Schedule of Rates and Charges for Customers of the East Bay Municipal Utility District; and (6) Schedules A and F of the Wastewater System Schedule of Rates and Charges for Customers of the East Bay Municipal Utility District to update the wastewater treatment charges for residential and business customers and Wet Weather Facilities Charges, respectively; and

WHEREAS, the water service fees have four customer classes: Single Family Residential, Multi-Family Residential, Non-Residential, and Private Fire Customers; and

WHEREAS, together, the water rates and charges are structured to proportionately allocate and recover the costs of providing water service among the various customer classes; and

WHEREAS, the wastewater rates and charges have three customer classes: Residential, Multi-Family Residential, and Non-Residential. Non-Residential Customers are further classified based on the type of business operated; and

WHEREAS, together, the wastewater rates and charges are structured to proportionately allocate and recover the costs of providing wastewater service among the various customer classes; and

WHEREAS, the revenues derived from the water and wastewater rates and charges will not exceed the funds required to provide water and wastewater services and shall be used exclusively for the water and wastewater systems; and

WHEREAS, the water and wastewater rates and charges will not exceed the proportional cost of the services attributable to each parcel upon which they are imposed; and

WHEREAS, the water and wastewater rates and charges will not be imposed on a parcel unless the water and wastewater services are actually used by, or immediately available to, the owner of the parcel; and

WHEREAS, California Constitution Article XIII D, Section 6 (“Article XIII D”) requires that prior to imposing any increase to the water and wastewater service rates and charges, the East Bay Municipal Utility District shall provide written notice (the “Notice”) by mail of: (1) the proposed increases to such rates and charges to the record owner of each parcel upon which the rates and charges are proposed for imposition and any tenant directly liable for payment of the rates and charges; (2) the amount of the rates and charges proposed to be imposed on each parcel; (3) the basis upon which the rates and charges were calculated; (4) the reason for the rates and charges; and (5) the date, time, and location of a public hearing (the “Hearing”) on the proposed rates and charges; and

WHEREAS, pursuant to Article XIII D such Notice is required to be provided to the affected property owners and any tenant directly liable for the payment of the rates and charges not less than forty-five days prior to the Hearing on the proposed rates and charges; and

WHEREAS, the District did provide such Notice to the affected property owners and tenants of the proposed water and wastewater rates and charges in compliance with Article XIII D; and

WHEREAS, public workshops and a public hearing, noticed in the manner and for the time required by law, were conducted by the Board of Directors on February 13, April 9, April 16, and June 11, 2013, respectively, at which times all interested persons were afforded an opportunity to be heard on matters pertaining to revision of the rates and charges; and

WHEREAS, at the Hearing the Board of Directors heard and considered all oral testimony, written materials, and written protests concerning the establishment and imposition of the proposed rate increases for the rates and charges for water and wastewater services, and at the close of the Hearing the East Bay Municipal Utility District did not receive written protests against the establishment and imposition of the proposed rates and charges for the water and wastewater services from a majority of the affected property owners and tenants directly liable for the payment of the water and wastewater rates and charges; and

WHEREAS, all comments, objections, and protests to said Biennial Report and Recommendation of the General Manager have been given full opportunity to be heard by the Board of Directors, and the Board of Directors has fully considered said Report and Recommendation; and

WHEREAS, the changes to the rates and charges as described above and as further set forth in this resolution are subject to and comply with Chapter 11.5 of the Municipal Utility District (MUD) Act; and

WHEREAS, the Board of Directors now desires to adopt and impose the proposed water and wastewater rates and charges; and

WHEREAS, the East Bay Municipal Utility District, as the lead agency under the California Environmental Quality Act (“CEQA”), in consultation with the District’s Legal Counsel, prepared a Preliminary Exemption Assessment for the adoption of this Ordinance in order to evaluate its potential impacts. The Board of Directors determined that this Resolution is exempt from CEQA review under Public Resources Code Section 21080(b)(8) and State CEQA Guidelines Section 15273 because the water and wastewater rates and charges are necessary and reasonable to fund the administration, operation, maintenance, and improvements of the water and wastewater systems and will not result in the expansion of the water and wastewater systems;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby finds and determines:

1. The Board of Directors finds and determines that the forgoing Recitals are true and correct, and by this reference are incorporated herein and made a part hereof. Findings Number 1 through 10 adopted by the Board of Directors on December 12, 1995, and set forth in Resolution No. 32953-95 related to adoption of the East Bay Municipal Utility District’s tiered water volume rate structure for single family residential customers, are incorporated herein and made a part hereof, and support the determination of this Board of Directors to continue a three-tier water volume rate structure.
2. The Board of Directors finds and determines that the average winter monthly water use by single-family residential customers District-wide is approximately 172 gallons per day (“gpd”) and that winter water use is an approximation of indoor water consumption. The Board of Directors also finds that the average monthly water use by single-family residential customers east of the hills was 393 gpd when the single-family residential tiered rate structure was established in 1995.
3. The Board of Directors finds and determines that pursuant to California Constitution Article X, Section 2, that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare, and the use of water in excess of year-round indoor water consumption is primarily for uses outside the home and further finds such uses to be inefficient, and more discretionary in character than interior uses. The Board of

Directors further finds and determines that reductions in water use can be achieved by reducing the demand for water for these exterior uses.

4. The Board of Directors finds and determines that setting the first tier in a water rate structure at the winter average, with higher tiers aimed at outdoor use, proportionately allocates the costs of providing water service and provides a conservation incentive to most users throughout the year to efficiently use and not waste water, and also helps achieve affordability goals and provide a reward for low use from conservation efforts.
5. The Board of Directors finds and determines that the rates and charges for water service will encourage conservation, and that conservation incentives provided by the FY14 and FY15 rate structures are needed to promote maximum beneficial use of the limited water resources available to the East Bay Municipal Utility District to meet current and future demands consistent with state and federal policy and water conservation best management practices. The Board also finds and determines that these rate structures are reasonably calculated to cover normal District costs and to achieve overall revenue neutrality for the entire rate structure.
6. The Board of Directors finds and determines that extension of the second block of a water rate structure to a level that is equal to the average monthly use of a customer east of the hills takes into consideration the water needs of customers in areas with hotter, drier climates. Further, that extending the second block to all water use that is less than 393 gpd proportionately allocates the costs of providing water service and will enable most users in the eastern portion of the East Bay Municipal Utility District to minimize or avoid the higher charges if efficient water use practices are followed.
7. The Board of Directors finds and determines that the East Bay Municipal Water District's Water Rate Structure Study, completed in 2009, supports the cost of service to each customer class based on their demand characteristics, while being revenue neutral, and making no geographical differentiation.
8. The Board of Directors finds and determines that the East Bay Municipal Utility District's water rates and charges for single family residential customers are based upon an American Water Works Association (AWWA) recognized cost-based allocation methodology and reflect the costs to serve single family residential customers; are designed to encourage conservation and efficient use of water, and to provide adequate revenues through affordable rates and charges; and are consistent with and in furtherance of the rate making principles and objectives set forth in East Bay Municipal Utility District Policy No. 4.13, "Rate Setting Guidelines for Water Rates."
9. The Board of Directors finds and determines that the rates for the water elevation surcharge adopted herein are imposed to recover the cost of water service or special services provided by the East Bay Municipal Utility District to the customer. Any customer may avoid payment of the charges by disconnecting from the facilities of the East Bay Municipal Utility District.

10. The Board of Directors finds and determines that the rates for the seismic improvement program surcharge adopted herein are imposed to recover the cost of various seismic projects designed to strengthen East Bay Municipal Utility District infrastructure against the risks of earthquakes.
11. The Board of Directors finds and determines that the rates and charges for the water service are reasonable and appropriate; proportionately allocate the cost of providing water service; and will meet the Board's goal of overall revenue neutrality.

BE IT FURTHER RESOLVED:

12. The Board of Directors finds and determines that the rates and charges for wastewater service are reasonable and appropriate; proportionately allocate the cost of providing wastewater service; and will meet the Board's goal of overall revenue neutrality.

BE IT FURTHER RESOLVED:

13. The Board finds and determines that at the close of the Hearing held on June 11, 2013, the East Bay Municipal Utility District did not receive written protests against the establishment and imposition of the proposed rates and charges for the water and wastewater services from a majority of the affected property owners and tenants directly liable for the payment of the water and wastewater rates and charges.
14. The Board finds and determines that the water system rates and charges and wastewater system rates and charges recommended in the Biennial Report and Recommendation of the General Manager Fiscal Year 2014-2015 are designed to recover the estimated cost of providing the services for which said rates are charged.

BE IT FURTHER RESOLVED:

15. All objections and protests to the said Biennial Report and Recommendation of the General Manager are hereby overruled and denied and said Report and Recommendation is hereby accepted and approved.
16. The revised Schedule A of the Water System Schedule of Rates and Charges for Customers of the East Bay Municipal Utility District, beginning Fiscal Year 2014 contained in Chapter 5 of the Biennial Report and Recommendation of the General Manager Fiscal Year 2014-2015, with additional clarifying, non-substantive changes is attached hereto as Exhibit A, and is hereby adopted, and the rates and charges and provisions therein contained are hereby fixed and established to be effective July 1, 2013; provided however that the revised water system service charges and consumption charges set forth in Schedule A shall take effect with billing cycles commencing on or after July 1, 2013, and will be prorated if a portion of the bill is for services rendered prior to July 1, 2013.



17. The revised Schedule A of the Water System Schedule of Rates and Charges for Customers of the East Bay Municipal Utility District, beginning Fiscal Year 2015, as set forth in Exhibit A, is hereby adopted and the charges therein contained are hereby fixed and established to be effective July 1, 2014; provided however that the revised water system service charges and consumption charges set forth in Schedule A shall take effect with billing cycles commencing on or after July 1, 2014, and will be prorated if a portion of the bill is for services rendered prior to July 1, 2014.
18. The revised Schedule A and F of the Wastewater System Schedule of Rates and Charges for Customers of the East Bay Municipal Utility District beginning Fiscal Year 2014 contained in Chapter 5 of the Biennial Report and Recommendation of the General Manager Fiscal Year 2014-2015, attached hereto as Exhibit B, are hereby adopted, and the wastewater treatment charges and Wet Weather Facilities Charges therein contained, are hereby fixed and established to be effective July 1, 2013; provided however that the revised wastewater treatment charges set forth in wastewater Schedule A shall take effect with billing cycles commencing on or after July 1, 2013, and will be prorated if a portion of the bill is for services rendered prior to July 1, 2013.
19. The revised Schedules A and F of the Wastewater System Schedule of Rates and Charges for Customers of the East Bay Municipal Utility District beginning Fiscal Year 2015 as set forth in Exhibit B, are hereby adopted, and the wastewater treatment charges and Wet Weather Facilities Charges therein contained are hereby fixed and established to be effective July 1, 2014; provided however that the revised wastewater treatment charges set forth in wastewater Schedule A shall take effect with billing cycles commencing on or after July 1, 2014, and will be prorated if a portion of the bill is for services rendered prior to July 1, 2014.
20. The aforesaid actions constitute modification and approval of charges for the purpose of meeting operating expenses, including employee wage rates and fringe benefits; purchasing or leasing supplies, equipment, or material; meeting financial reserve needs and requirements; or obtaining funds for capital projects necessary to maintain service in the existing service area; and the Board therefore determines that its aforesaid actions are exempt from the requirements of the California Environmental Quality Act, and hereby directs the Secretary of the District to file a Notice of Exemption in accordance with applicable statutes and regulations with the County Clerks of Alameda and Contra Costa counties.

BE IT FURTHER RESOLVED:

21. The appropriate officers of the East Bay Municipal Utility District are hereby authorized and directed to take such actions as shall be necessary to impose, enforce and collect said rates and charges.
22. The District Board of Directors hereby declares that it would have adopted each section irrespective of the fact that any one or more subsections, subdivisions, sentences, clauses, or phrases be declared unconstitutional, invalid, or ineffective, and should any portion of this Resolution be invalidated by order of a Court of competent jurisdiction, all other portions of this Resolution shall remain in full force and effect until modified or superseded by action of this Board.
23. This Resolution shall supersede all other previous District Board of Directors resolutions and ordinances that may conflict with, or be contrary to, this Resolution.

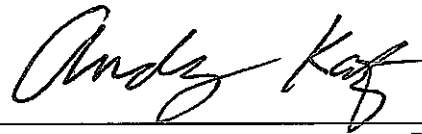
ADOPTED this 11th day of June, 2013 by the following vote:

AYES: Directors Linney, McIntosh, Mellon, Patterson  
and President Katz.

NOES: Directors Coleman and Foulkes.

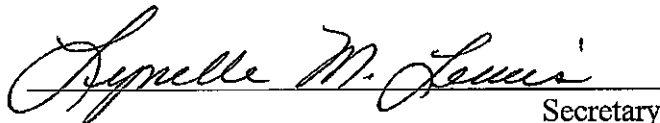
ABSENT: None.

ABSTAIN: None.



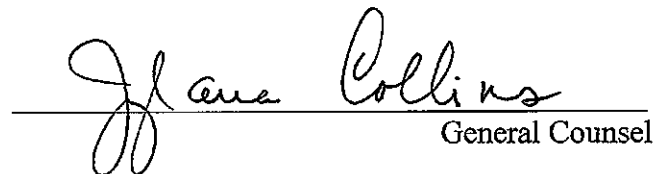
\_\_\_\_\_  
President

ATTEST:



\_\_\_\_\_  
Secretary

APPROVED AS TO FORM AND PROCEDURE:



\_\_\_\_\_  
General Counsel

RESOLUTION NO. 33934-13

ADOPTING REVISED REGULATIONS AND REVISED WATER SYSTEM SCHEDULE OF RATES AND CHARGES, SYSTEM CAPACITY CHARGE, STANDARD PARTICIPATION CHARGE, RECREATION FEES AND WASTEWATER SYSTEM SCHEDULE OF CHARGES NOT SUBJECT TO PROPOSITION 218, APPROVING AN EXEMPTION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND DIRECTING STAFF TO FILE A NOTICE OF EXEMPTION

Introduced by Director Linney

; Seconded by Director Patterson

WHEREAS, the Board of Directors is adopting the Fiscal Year 2014 and Fiscal Year 2015 Operating and Capital Biennial Budget for expenditures necessary and advisable for the proper conduct of the activities of the East Bay Municipal Utility District, including funding for needed capital projects and for operation of the water and wastewater systems and to provide an adequate level of financial reserves and debt service coverage; and

WHEREAS, the General Manager filed with the Board of Directors the Biennial Report and Recommendation of the General Manager Fiscal Year 2014-2015, dated May 13, 2013, recommending revisions to the rates and charges to meet the District's revenue requirements for Fiscal Year 2014 and Fiscal Year 2015 including (1) system capacity, installation, and service charges and fees for residential, multi-family, commercial, and industrial customers; (2) Schedules B, C, D, E, F, G, H, J, K, M, and N of the Water System Schedule of Rates and Charges for Customers of the East Bay Municipal Utility District; (3) Schedules C, D, E, and G of the Wastewater System Schedule of Rates and Charges for Customers of East Bay Municipal Utility District; (4) Sections 3, 4, 6, 8A, 8B, 18, and 31 of the Regulations Governing Water Service of the East Bay Municipal Utility District to modify water efficiency requirements for new or expanded water service, and make additional clarifying and administrative changes to regulations for new services, main extensions and public fire hydrants; (5) recreation and commercial fees for Lafayette Recreation Area, San Pablo Recreation Area, Pardee Reservoir Recreation Area, Camanche Hills Hunting Preserve and Camanche Reservoir Recreation Area, the watershed trails permit fee and mobile home rents; and (6) the duplication and computer programming fees related to Public Record Act requests and the discount offered to EBMUD customers and employees on the EBMUD publication, Plants and Landscapes for Summer Dry Climates of the San Francisco Bay Region District; and

WHEREAS, the changes to rates, charges and fees as described above and as further set forth in this resolution are not subject to Article XIII D, Section 6 of the California Constitution (Proposition 218), but are subject to the public notice and hearing requirements stated in Chapter 11.5 of the Municipal Utility District (MUD) Act; and

WHEREAS, public workshops and a public hearing, noticed in the manner and for the time required by law, were conducted by the Board of Directors on February 13, April 9, April 16, and June 11, 2013, respectively, at which times all interested persons were afforded an opportunity to be heard on matters pertaining to revision of the rates and charges, and the Biennial Report and Recommendation of the General Manager Fiscal Year 2014-2015 was available for public inspection and review ten (10) days prior to the public hearing; and

WHEREAS, all comments, objections, and protests to said Biennial Report and Recommendation of the General Manager have been given full opportunity to be heard by the Board, and the Board has fully considered said Biennial Report and Recommendation; and

WHEREAS, other proposed changes to the District's Water and Wastewater System Schedules of Rates and Charges, which are subject to and comply with the notice and hearing requirements of Article XIII D, Section 6 of the California Constitution (Proposition 218), are included in a separate rate resolution and consideration of those proposed changes has been scheduled for a separate Proposition 218 public hearing on June 11, 2013;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby finds and determines:

1. The service charges adopted herein are imposed to recover the cost of special services provided by the East Bay Municipal Utility District to the customer. The water demand mitigation fee, the System Capacity Charge ("SCC") and the Standard Participation Charge ("SPC") are levied only as a condition of extending or initiating service upon the request of a customer. The charges adopted herein are not imposed upon real property or upon a person as an incident of property ownership and were not calculated or developed on the basis of any parcel map, including an assessor's parcel map.
2. The purpose of the SCC and the SPC is to finance facilities necessary to provide a supply of water to new development that will be served by the East Bay Municipal Utility District. The SCC and SPC are charges for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of East Bay Municipal Utility District involving capital expense relating to its use of existing or new public facilities. The proposed adjustment in the SCC and SPC is necessary to finance facilities required to provide water service to projected development that will be served by the District's water distribution system, which facilities are described by category in said Biennial Report and Recommendation of the General Manager, the Final EIR for the Updated Water Supply Management Program ("WSMP"), and the 2007 System Capacity Charge Study. The SCC methodology that combines the incremental cost and buy-in methodologies recovers the cost of many existing District facilities, which provide benefit to new users.

3. The facts and evidence presented to the Board of Directors establish that there is a reasonable relationship between the need for said identified facilities and the impacts of the types of development for which the SCC and SPC is charged, and there is a reasonable relationship between the use of those fees to finance facilities necessary to provide a supply of water to new development and the type of development for which the fees are charged. The East Bay Municipal Utility District's methodology appropriately allocates to the SCC and SPC the costs related to augmenting the District's water supplies to satisfy increased demand associated with future development within the District.
4. The water system rates and charges and wastewater charges as herein described and recommended in the Biennial Report and Recommendation of the General Manager Fiscal Year 2014-2015, and the recommended recreation fees and Public Record Act-related fees, are designed to recover the estimated cost to provide the services for which said fees are charged.
5. The mobile home rental fees recommended in the Biennial Report and Recommendation of the General Manager Fiscal Year 2014-2015 are based on the District's increased costs to operate the mobile home parks and on the Housing and Urban Development Fair Market Rents Index.
6. The revisions to Sections 3, 4, 6, 8A, 8B, 18, and 31 of the Regulations Governing Water Service of the East Bay Municipal Utility District modify water efficiency requirements for new or expanded water service, and make additional clarifying and administrative changes to regulations for new services, main extensions and public fire hydrants.
7. The water, wastewater, recreation, and Public Records Act rates, charges, and fees are imposed for specific products, services, benefits, and privileges provided, for entrance to and use of property, and/or for rental or lease of property, and those rates, charges, and fees do not exceed the reasonable costs to the East Bay Municipal Utility District of providing those products, benefits, privileges and services, to the payors.

BE IT FURTHER RESOLVED:

8. All objections and protests to the Biennial Report and Recommendation of the General Manager Fiscal Year 2014-2015 are hereby overruled and denied and said Report and Recommendation is hereby accepted and approved.
9. The revised Schedules B, C, D, E, F, G, H, J, K, M, and N of the Water System Schedule of Rates and Charges for Customers of the East Bay Municipal Utility District, beginning Fiscal Year (FY) 2014, and the revised Sections 3, 4, 6, 8A, 8B, 18, and 31 of the Regulations Governing Water Service to Customers of the East Bay Municipal Utility District, contained in Chapter 5 of the Biennial Report and Recommendation of the General Manager Fiscal Year 2014-2015, attached hereto as Exhibit A, are hereby adopted and the charges and provisions therein contained are hereby fixed and established to be effective July 1, 2013; provided however that the revised Water System Schedules

H, J, and N shall take effect on August 12, 2013, or sixty days following adoption by the Board.

10. The revised Schedules B, C, D, E, F, G, K, and M of the Water System Schedule of Rates and Charges for Customers of the East Bay Municipal Utility District, beginning Fiscal Year (FY) 2015, contained in Chapter 5 of the Biennial Report and Recommendation of the General Manager Fiscal Year 2014-2015, attached hereto as Exhibit A, are hereby adopted and the charges and provisions therein contained are hereby fixed and established to be effective July 1, 2014.
11. The revised Schedules C, D, E, and G of the Wastewater System Schedule of Rates and Charges for Customers of East Bay Municipal Utility District beginning Fiscal Year 2014, and contained in Chapter 5 of the Biennial Report and Recommendation of the General Manager Fiscal Year 2014-2015, attached hereto as Exhibit B, is hereby adopted and the charges and provisions therein contained are hereby fixed and established to be effective July 1, 2013; provided however that the new fees for the Private Sewer Lateral Compliance Certificate Fees set forth in Wastewater System Schedule D will be effective January 1, 2014, and the revised Wastewater Capacity Fees set forth in Wastewater System Schedule G will be effective on August 12, 2013, or sixty days following adoption by the Board.
12. The revised Schedule D of the Wastewater System Schedule of Rates and Charges for Customers of East Bay Municipal Utility District beginning Fiscal Year 2015, and contained in Chapter 5 of the Biennial Report and Recommendation of the General Manager Fiscal Year 2014-2015, attached hereto as Exhibit B, is hereby adopted and the charges and provisions therein contained are hereby fixed and established to be effective July 1, 2014.
13. The revised recreation fees and mobile home rents beginning Calendar Year 2014, as set forth in Exhibit C, are hereby fixed and established to be effective January 1, 2014.
14. The revised recreation fees and mobile home rents beginning Calendar Year 2015, as set forth in Exhibit C, are hereby fixed and established to be effective January 1, 2015.
15. The revised duplication and computer programming fees related to Public Record Act requests and the increased discount offered to East Bay Municipal Utility District customers and employees on the East Bay Municipal Utility District publication, Plants and Landscapes for Summer Dry Climates of the San Francisco Bay Region, as set forth in Exhibit D, are hereby fixed and established to be effective July 1, 2013.

16. The District, as lead agency under the California Environmental Quality Act (“CEQA”), has evaluated the potential environmental impacts of adopting the fees and charges set forth herein. As the decision making body for the East Bay Municipal Utility District, the Board of Directors has reviewed and considered the information contained in the administrative record for the adoption of the fees and charges.

The Board of Directors finds that the aforesaid actions constitute modification and approval of charges for the purpose of meeting operating expenses, including employee wage rates and fringe benefits; purchasing or leasing supplies, equipment, or material; meeting financial reserve needs and requirements; or obtaining funds for capital projects necessary to maintain service in the existing service area; any activities, including infrastructure improvements, to be funded by fees and charges will be subject to future environmental review under CEQA, as applicable, prior to East Bay Municipal Utility District approval; and the Board of Directors therefore determines that its aforesaid actions are exempt from the requirements of the California Environmental Quality Act, and hereby directs the Secretary of the District to file a Notice of Exemption in accordance with applicable statutes and regulations with the County Clerks of Alameda and Contra Costa counties.

**BE IT FURTHER RESOLVED:**

17. If any section, subsection, clause or phrase in this Resolution or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Resolution or the application of such provisions to other persons or circumstances shall not be affected thereby and shall remain in full force and effect until modified or superseded by action of this Board. The Board hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof to any person or circumstance be held invalid.

BE IT FURTHER RESOLVED:

18. The appropriate officers of the East Bay Municipal Utility District are hereby authorized and directed to take such actions as shall be necessary to impose, enforce and collect said fees and charges.

ADOPTED this 11th day of June, 2013 by the following vote:

AYES: Directors Linney, McIntosh, Mellon, Patterson  
and President Katz.

NOES: Directors Coleman and Foulkes.

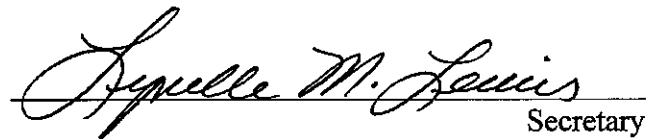
ABSENT: None.

ABSTAIN: None.



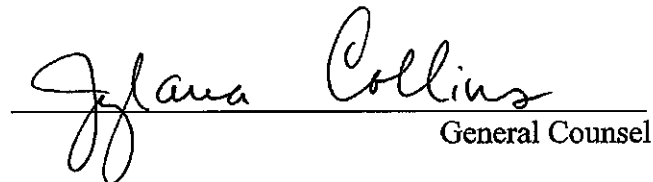
President

ATTEST:



Secretary

APPROVED AS TO FORM AND PROCEDURE:



General Counsel



## **Resolution – Operating and Capital Budget**

### **Resolution**

RESOLUTION NO. 33935-13

APPROVING THE BUDGET OF THE EAST BAY MUNICIPAL UTILITY DISTRICT  
WATER AND WASTEWATER SYSTEMS FOR FY14 AND FY15 AND ESTABLISHING  
THE TERMS AND CONDITIONS FOR THE PAYMENT OF  
DEMANDS AGAINST THE DISTRICT

Introduced by Director Coleman ; Seconded by Director Foulkes

WHEREAS, the General Manager has prepared an estimate of all expenditures necessary and advisable for the proper conduct of the activities of the East Bay Municipal Utility District and submitted the estimate to the Board of Directors in the "Amended Proposed Biennial Budget Fiscal Year 2014-2015;" and

WHEREAS, workshops were held on February 13, April 9 and 16, 2013 at which time the members of the Board of Directors and members of the public were provided an opportunity to review and ask questions about the recommended budget prepared by the General Manager; and

WHEREAS, the Board has considered all the oral and written information presented to it;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the East Bay Municipal Utility District as follows:

1. The budget for Fiscal Year 2014 and Fiscal Year 2015 presented by the General Manager is hereby approved and adopted as the Fiscal Year 2014 and Fiscal Year 2015 budget for the East Bay Municipal Utility District. Copies of the budget documents are on file in the Office of the Secretary and are made a part of this resolution as though set forth in full.
2. For the purposes of complying with Section 11891.5 of the Public Utilities Code, the Fiscal Year 2014 and Fiscal Year 2015 budget is expressed in major groups of accounts as indicated below. The following amounts are hereby appropriated for expenditure:

WATER SYSTEM:	<u>FY14</u>	<u>FY15</u>
Operating Budget	\$236,875,379	\$246,929,993
Debt Service	147,463,054	163,212,788
Capital Budget	<u>200,814,000</u>	<u>185,022,000</u>
Total Water System	<u>\$585,152,433</u>	<u>\$595,164,781</u>
WASTEWATER SYSTEM		
Operating Budget	\$60,848,423	\$63,358,060
Debt Service	33,688,694	34,306,660
Capital Budget	<u>33,878,000</u>	<u>46,814,000</u>
Total Wastewater System	<u>\$128,415,117</u>	<u>\$144,478,720</u>

RESOLUTION NO. 33935-13

APPROVING THE BUDGET OF THE EAST BAY MUNICIPAL UTILITY DISTRICT  
WATER AND WASTEWATER SYSTEMS FOR FY14 AND FY15 AND ESTABLISHING  
THE TERMS AND CONDITIONS FOR THE PAYMENT OF  
DEMANDS AGAINST THE DISTRICT

Introduced by Director Coleman ; Seconded by Director Foulkes

WHEREAS, the General Manager has prepared an estimate of all expenditures necessary and advisable for the proper conduct of the activities of the East Bay Municipal Utility District and submitted the estimate to the Board of Directors in the "Amended Proposed Biennial Budget Fiscal Year 2014-2015;" and

WHEREAS, workshops were held on February 13, April 9 and 16, 2013 at which time the members of the Board of Directors and members of the public were provided an opportunity to review and ask questions about the recommended budget prepared by the General Manager; and

WHEREAS, the Board has considered all the oral and written information presented to it;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the East Bay Municipal Utility District as follows:

1. The budget for Fiscal Year 2014 and Fiscal Year 2015 presented by the General Manager is hereby approved and adopted as the Fiscal Year 2014 and Fiscal Year 2015 budget for the East Bay Municipal Utility District. Copies of the budget documents are on file in the Office of the Secretary and are made a part of this resolution as though set forth in full.
2. For the purposes of complying with Section 11891.5 of the Public Utilities Code, the Fiscal Year 2014 and Fiscal Year 2015 budget is expressed in major groups of accounts as indicated below. The following amounts are hereby appropriated for expenditure:

WATER SYSTEM:	FY14	FY15
Operating Budget	\$236,875,379	\$246,929,993
Debt Service	147,463,054	163,212,788
Capital Budget	<u>200,814,000</u>	<u>185,022,000</u>
Total Water System	<u>\$585,152,433</u>	<u>\$595,164,781</u>
WASTEWATER SYSTEM		
Operating Budget	\$60,848,423	\$63,358,060
Debt Service	33,688,694	34,306,660
Capital Budget	<u>33,878,000</u>	<u>46,814,000</u>
Total Wastewater System	<u>\$128,415,117</u>	<u>\$144,478,720</u>

3. The General Manager is authorized to approve the payment of demands against the District in Fiscal Year 2014, without further Board authorization, so long as the demands are incurred for purposes and within the amounts set forth in the projection of the District's operations set forth above with respect to Fiscal Year 2014. Projection of the District's operations with respect to Fiscal Year 2015 will be resubmitted to the Board in June 2014 for review and approval, consistent with Public Utilities Code Section 11891.5.
4. The General Manager is authorized for Fiscal Year 2014 and Fiscal Year 2015 to transfer funds between the Capital Budget and the Operating Budget in both the water and wastewater budgets as required, but not to exceed a variance of five percent and provided that the total budget for each of the two systems remains unchanged.
5. Subject to compliance with 12751 of the Public Utilities Code, authority is hereby delegated to incur obligations for the purposes and within the amounts specified for such purposes in the budget hereby approved under such terms and conditions as the General Manager shall establish.
6. In order to provide for completion of work on projects authorized but not completed as of the close of the fiscal year, balances remaining at the close of Fiscal Year 2013 and Fiscal Year 2014, respectively, are hereby appropriated for expenditure in the subsequent fiscal year, in addition to the applicable fiscal year appropriations for capital and operating expenditures.
7. The Director of Finance is hereby authorized and directed to distribute the Fiscal Year 2014 and Fiscal Year 2015 appropriations to the various accounts of the District in accordance with generally accepted accounting practices and consistent with the purposes and objectives identified in the approved budget. The Director of Finance is further authorized to apply surplus revenues above the targeted reserve levels identified in the approved budget to retire currently outstanding bonds where it is cost-effective to do so, fund capital expenditures in Fiscal Year 2014 and Fiscal Year 2015, or set aside revenues in a restricted fund to fund capital expenditures. The Director of Finance is further authorized to transfer unexpended funds to other approved operations or capital projects, provided that the total Capital Budget and Operating Budget for the water and wastewater systems remain unchanged, except for the five percent variance authorized by this Resolution.
8. Any monies received during Fiscal Year 2014 and Fiscal Year 2015 as a consequence of a grant approved for acceptance by the Board of Directors are hereby appropriated for the purposes for which the grant has been approved. Such appropriation includes authorization for the General Manager to expend such monies and for the Director of Finance to make payments therefor in accordance with the terms and conditions and for the purposes of the grant.

9. The Board hereby declares the District's intent to reimburse itself with the proceeds of one or more issues of tax-exempt bonds, commercial paper notes or other indebtedness (collectively, the "Obligations") for a portion of the costs of the District's capital improvement program for its Water System and Wastewater System, as set forth in the budget for Fiscal Years 2014 and 2015. The maximum principal amount of the Obligations expected to be issued to finance the costs of such capital improvement program, as set forth in the District's capital budget is \$200.8 million in Fiscal Year 2014 and \$185.0 million in Fiscal Year 2015 in the Water System, and \$33.9 million for Fiscal Year 2014 and \$46.8 million in Fiscal Year 2015 for the Wastewater System.

ADOPTED this 11th day of June, 2013 by the following vote:

AYES: Directors Coleman, Foulkes, Linney, McIntosh, Mellon, Patterson, and President Katz.

NOES: None.


ABSENT: None.

ABSTAIN: None.

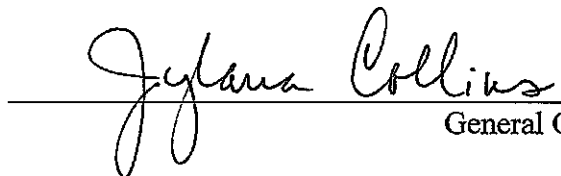


President

ATTEST:

  
Secretary

APPROVED AS TO FORM AND PROCEDURE:

  
General Counsel

## **Resolution – Staffing**

### **Resolution**

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RESOLUTION NO. 33936-13

AUTHORIZING THE NUMBER AND CHARACTER OF POSITIONS  
AND AUTHORIZING THE GENERAL MANAGER TO TAKE  
ACTION IN CONNECTION THEREWITH

Introduced by Director McIntosh ; Seconded by Director Coleman

WHEREAS, the Board of Directors of the East Bay Municipal Utility District is charged with the responsibility to determine and create the number and character of positions required to carry on the functions of the District; and

WHEREAS, the General Manager has filed a report with the Board of Directors recommending that 2,020 full-time equivalent (FTE) positions be authorized to carry on the functions of the District in fiscal year 2014 and 2,019 FTE positions be authorized to carry on the functions of the District in fiscal year 2015;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the East Bay Municipal Utility District as follows:

1. That 2,020 FTE positions be and hereby are authorized for fiscal year 2014 and 2,019 FTE positions be and hereby are authorized for fiscal year 2015, and that said positions are hereby converted, reallocated, created, deleted, and/or flexibly staffed in accordance with Exhibits A, B1, B2 and C, which are attached hereto and incorporated herein by this reference, and that the character of the positions (Full-Time Civil Service, Full-Time Civil Service Exempt, Limited Term, Temporary Construction, Temporary, Intermittent, and Part-Time) so authorized shall be as set forth in said exhibits.
2. That the necessary amounts for salaries and benefits for the positions authorized in Section 1 of this Resolution for fiscal year 2014 and fiscal year 2015, which include the classification plan changes set forth in Exhibit C, are hereby authorized and appropriated, and that the salary schedules and monthly salary or wage rates for the positions authorized in this Resolution are approved.
3. That the Board hereby authorizes the General Manager to determine the specific classification and organizational placement within the District for each of the authorized positions and authorizes the General Manager to reallocate, flexibly staff, reassign and/or transfer said existing positions and personnel within the District, provided that (1) the total number of positions that are represented remains unchanged for each fiscal year; (2) the character of the positions as enumerated above and as set forth in Exhibits A, B1, B2 and C is not changed provided, however, that the General Manager is authorized to flexibly staff regular full-time civil service positions with intermittent civil service positions consistent with procedures adopted by the General Manager for that purpose; (3) the total approved salaries and benefits for fiscal year 2014 and fiscal year 2015 are not exceeded; (4) this authority is exercised in accordance with applicable District rules,



(3) the total approved salaries and benefits for fiscal year 2014 and fiscal year 2015 are not exceeded; (4) this authority is exercised in accordance with applicable District rules, regulations, policies and procedures, including those adopted to implement the District's civil service system set forth at section 12051 *et seq.* of the Municipal Utility District Act and any applicable provisions of relevant Memoranda of Understanding between the District and AFSCME Local 444, AFSCME Local 2019, IFPTE Local 21, and Stationary Engineers Local 39; and (5) the General Manager post notice of such proposed changes in a conspicuous place at the District, and also notify the Board of Directors, AFSCME Local 444, AFSCME Local 2019, IFPTE Local 21, and Stationary Engineers Local 39 of such proposed changes at least seven (7) calendar days prior to making any such change.

4. That the continuing operational need for any and all Limited Term and Temporary Construction positions included in the budget for fiscal year 2014 and fiscal year 2015 be evaluated and reported on by departments as part of their budget request for fiscal years 2014-2015. Departments are responsible for ensuring that Limited Term and Temporary Construction positions are terminated at the end of their assigned project and are not reassigned without obtaining approval from the General Manager and the Board.
5. That Resolution No. 33885-12, as amended and Resolution No. 33825-11, as amended and all other resolutions or motions or parts thereof in conflict with this Resolution are revoked, provided that the authority of the General Manager or the General Manager's designate to create special replacement positions (Section 4, Resolution No. 30950; Section 3, Resolution No. 31904, and Section 4, Resolution No. 32084 as amended by Resolution No. 33425-04) and to transfer functions and positions (Section 5, Resolution No. 30950) and to approve special replacement positions/classifications for Limited Term and Temporary Construction positions (Section 3, Resolution No. 31303) and to temporarily replace full-time employees who are absent or are on approved leave as a result of participation in the District's drug and alcohol testing program, not to exceed a maximum of six (6) months and in accordance with applicable District Civil Service Rules (Section 8, Resolution No. 32926-96) and to designate the classification, organizational assignment, duration, and appointments for up to ten (10) Workforce Transition (WT) positions to mitigate near term retirements (Resolution 33678-08) in accordance with applicable District Civil Service Rules shall remain in full force and effect.

BE IT FURTHER RESOLVED by the Board of Directors of the East Bay Municipal Utility District that, in accordance with Exhibit C, attached hereto and incorporated herein:

1. The classification title of Manager of Water Meters shall be changed to Manager of Meter Reading and Maintenance, and the current incumbent shall hold the retitled position of Manager of Meter Reading and Maintenance; and
2. The classification of Meter Reader/Mechanic shall be created and added; and
3. The classification of Meter Reader/Mechanic Foreman shall be created and added; and

BE IT FURTHER RESOLVED that this Resolution shall become effective July 1, 2013.

ADOPTED this 11th day of June, 2013 by the following vote:

AYES: Directors Coleman, Foulkes, McIntosh, Mellon and Patterson.

NOES: Director Linney and President Katz.

ABSENT: None.

ABSTAIN: None.



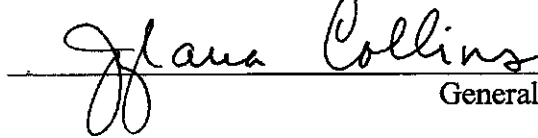
\_\_\_\_\_  
President

ATTEST:



\_\_\_\_\_  
Secretary

APPROVED AS TO FORM AND PROCEDURE:



\_\_\_\_\_  
General Counsel

**EXHIBIT "A"**  
**SUMMARY OF STAFF CHANGES**  
**(June 11, 2013)**

Group/Department	FY13 Amended Staff Years <sup>(1)</sup>	FY14 Recommended Staff Years <sup>(2)</sup>	FY14 Net Change	FY15 Recommended Staff Years <sup>(2)</sup>	FY15 Net Change
ADMINISTRATION	<u>208.5</u>	<u>204.5</u>	<u>-4.0</u>	<u>204.5</u>	<u>0.0</u>
Administration	56.0	56.0	0.0	56.0	0.0
Customer and Community Services	105.0	101.0	-4.0	101.0	0.0
Human Resources	47.5	47.5	0.0	47.5	0.0
ENGINEERING AND CONSTRUCTION	<u>252.5</u>	<u>250.5</u>	<u>-2.0</u>	<u>249.5</u>	<u>-1.0</u>
FINANCE	<u>192.5</u>	<u>189.5</u>	<u>-3.0</u>	<u>189.5</u>	<u>0.0</u>
Finance	97.5	96.5	-1.0	96.5	0.0
Information Systems	95.0	93.0	-2.0	93.0	0.0
OFFICE OF THE GENERAL COUNSEL	<u>17.0</u>	<u>17.0</u>	<u>0.0</u>	<u>17.0</u>	<u>0.0</u>
OFFICE OF THE GENERAL MANAGER	<u>25.5</u>	<u>25.5</u>	<u>0.0</u>	<u>25.5</u>	<u>0.0</u>
MAINTENANCE AND CONSTRUCTION	<u>660.0</u>	<u>660.5</u>	<u>0.5</u>	<u>660.5</u>	<u>0.0</u>
OPERATIONS & MAINTENANCE SUPPORT	<u>72.0</u>	<u>72.0</u>	<u>0.0</u>	<u>72.0</u>	<u>0.0</u>
WATER OPERATIONS	<u>197.5</u>	<u>196.5</u>	<u>-1.0</u>	<u>196.5</u>	<u>0.0</u>
WATER AND NATURAL RESOURCES	<u>111.5</u>	<u>109.5</u>	<u>-2.0</u>	<u>109.5</u>	<u>0.0</u>
Water Resources	42.0	40.0	-2.0	40.0	0.0
Natural Resources	69.5	69.5	0.0	69.5	0.0
WATER RECYCLING PROGRAM	<u>8.0</u>	<u>8.0</u>	<u>0.0</u>	<u>8.0</u>	<u>0.0</u>
<b>WATER SYSTEM TOTAL</b>	<b>1745.0</b>	<b>1733.5</b>	<b>-11.5</b>	<b>1732.5</b>	<b>-1.0</b>
WASTEWATER	<u>286.5</u>	286.5	0.0	286.5	0.0
<b>DISTRICT-WIDE TOTAL IN FTEs <sup>(3)</sup></b>	<b>2031.5</b>	<b>2020.0</b>	<b>-11.5</b>	<b>2019.0</b>	<b>-1.0</b>

Notes <sup>(1), (2), (3)</sup> - See page 2

**EXHIBIT "A"**  
**SUMMARY OF STAFF CHANGES**  
**(June 11, 2013)**

<b>TOTAL POSITIONS AUTHORIZED BY TYPE OF STATUS</b>	<b>FY14 Positions</b>	<b>FY14 Net Change</b>	<b>FY15 Positions</b>	<b>FY15 Net Change</b>
Full-Time	1943.0	1.0	1943.0	0.0
Temporary	57.0	-1.0	57.0	0.0
Part-Time	17.0	0.0	17.0	0.0
Intermittent	4.0	0.0	4.0	0.0
Temporary Construction and Limited-Term	37.0	-12.0	36.0	-1.0
<b>DISTRICT-WIDE TOTAL IN POSITIONS<sup>(3)</sup></b>	<b>2058.0</b>	<b>-12.0</b>	<b>2057.0</b>	<b>-1.0</b>

**Notes to Exhibit A:**

- (1) Amended staffing applies mid-year Board actions, changes to the FY13 position Resolution under the General Manager's authority, position transfers, and administrative corrections.
- (2) Regular Full-Time, Temporary Construction, and Limited Term Positions = 1.0 staff-year  
Part-Time and Temporary = .5 staff year  
Intermittent = .75 staff year
- (3) The District-wide full-time equivalent (FTE) total takes into account that temporary, part-time and intermittent positions are valued at less than 1.0 staff years each. The District-wide position total does not make that distinction.

**EXHIBIT "B1"**  
**FY14**  
**POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING**  
**(June 11, 2013)**

**Customer and Community Services**

					Representation Change						
ORG	FTE Change	From	To	Monthly Salary Range	2019	444	21	39	MC	NR/ Exempt	Explanation
333	-2.0	2.0 TC Customer Services Supervisor	None	69			-2.0				CIS project completed
333	-1.0	1.0 TC Customer Services Manager	None	78					-1.0		
333	-1.0	1.0 TC Information Systems Administrator	None	73			-1.0				

**Engineering**

					Representation Change						
ORG	FTE Change	From	To	Monthly Salary Range	2019	444	21	39	MC	NR/ Exempt	Explanation
572	None	1.0 TC Senior Construction Inspector	1.0 Senior Construction Inspector	71	X						Position status is being changed due to extended ongoing workload projections
573	-1.0	1.0 TC Assistant Surveying Supervisor	None	74			-1.0				Regular position was added and filled in FY12 and TC is no longer needed.
576	-1.0	1.0 TC Senior Construction Inspector	None	71	-1.0						Position has been filled as regular. TC is no longer needed

**Finance**

					Representation Change						
ORG	FTE Change	From	To	Monthly Salary Range	2019	444	21	39	MC	NR/ Exempt	Explanation
230	-1.0	1.0 Word Processing Specialist II	None	51	-1.0						This is an obsolete classification. The classification is being deleted as incumbents vacate them.

**EXHIBIT "B1"**  
**FY14**  
**POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING**  
**(June 11, 2013)**

**Information Systems**

ORG	FTE Change	From	To	Monthly Salary Range	Representation Change						Explanation	
					2019	444	21	39	MC	NR/ Exempt		
251	-1.0	1.0 TC Information Systems Support Analyst I/II	None	61/70	-1.0							CIS project completed
251	-1.0	1.0 TC Information Systems Support Analyst II	None	70	-1.0							

**Office of General Counsel**

ORG	FTE Change	From	To	Monthly Salary Range	Representation Change						Explanation
					2019	444	21	39	MC	NR/ Exempt	
130	None	1.0 Special Assistant II / Attorney I/II/III	1.0 Attorney I/II/III	86						X	Eliminating flexing to be consistent with other job classifications within the department

**Maintenance & Construction**

ORG	FTE Change	From	To	Monthly Salary Range	Representation Change						Explanation
					2019	444	21	39	MC	NR/ Exempt	
722/ 753	None	5.0 Water Distribution Plumber I/II/III	5.0 Regular/LT Water Distribution Plumber I/II/III / Meter Reader Mechanic	51 / 55 / 59 / 54		X					Positions are being flexibly staffed and transferred in order to staff the Meter Reading and Maintenance Administration Division
725	-2.0	2.0 General Pipe Supervisor	None	70			-2.0				Positions created for a project in FY09; are unfunded, unfilled and are no longer needed
725/ 753	None	1.0 General Pipe Supervisor	1.0 Meter Reading & Maintenance Supervisor	70			X				Positions are being flexibly staffed and transferred in order to staff the Meter Reading and Maintenance Administration Division
725/ 753	None	2.0 Water Distribution Plumber I/II/III	2.0 Regular/LT Water Distribution Plumber I/II/III / Meter Reader Mechanic	51 / 55 / 59 / 54		X					

**EXHIBIT "B1"**  
**FY14**  
**POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING**  
**(June 11, 2013)**

**Maintenance & Construction**

					Representation Change						
ORG	FTE Change	From	To	Monthly Salary Range	2019	444	21	39	MC	NR/ Exempt	Explanation
753	None	1.0 Customer Services Supervisor	1.0 Customer Services Supervisor/Meter Reading & Maintenance Supervisor	69 / 70			X				Positions are being flexibly staffed as a transition to the new meter reading and maintenance classifications
753	None	6.0 Temporary Meter Reader	6.0 Temporary Meter Reader / Meter Reader/ Mechanic	52 / 54		X					
753	None	25.0 Meter Reader	25.0 Meter Reader / Meter Reader/Mechanic	52 / 54		X					
753	None	1.0 Part-Time Meter Reader	1.0 Part-Time Meter Reader / Meter Reader/Mechanic	52 / 54		X					
753	None	2.0 Meter Reading Foreman	2.0 Meter Reading Foreman / Meter Reader/Mechanic Foreman	61 / 64		X					
753	0.5	1.0 Temporary Meter Reading Foreman	1.0 Regular Meter Reading Foreman / Regular Meter Reader/Mechanic Foreman	61 / 64		0.5					
753	2.0	None	2.0 Regular/LT Water distribution Plumber I/II/III / Meter Reader/Mechanic	52 / 54		2.0					Positions are being added to ensure sufficient staffing in the Meter Reading and Maintenance Administration Division.

**Water Operations**

					Representation Change						
ORG	FTE Change	From	To	Monthly Salary Range	2019	444	21	39	MC	NR/ Exempt	Explanation
760	-1.0	1.0 TC Senior Civil Engineer	None	82			-1.0				Freeport project completed

**EXHIBIT "B1"**  
**FY14**  
**POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING**  
**(June 11, 2013)**

**Water Resources**

ORG	FTE Change	From	To	Monthly Salary Range	Representation Change						Explanation
					2019	444	21	39	MC	NR/ Exempt	
455	-2.0	2.0 TC Associate Civil/Electrical/Mechanical Engineer / TC Associate Planner	None	76 / 68	-2.0						Freeport project completed
<b>Total FY14 Representation Change</b>					<b>-6.0</b>	<b>2.5</b>	<b>-7.0</b>	<b>0.0</b>	<b>-1.0</b>	<b>0.0</b>	

Notes to Exhibit B1:

- 1. "X" in the "Representation Change" column indicates no change



**EXHIBIT "B2"**  
**FY15**  
**POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING**  
**(June 11, 2013)**

**Engineering**

					Representation Change						
ORG	FTE Change	From	To	Monthly Salary Range	2019	444	21	39	MC	NR/ Exempt	Explanation
573	-1.0	1.0 TC Survey Technician I/II	None	62	-1.0						Anticipated completion of the Mokelumne Aqueduct Interconnection project
<b>Total FY15 Representation Change</b>					-1.0	0.0	0.0	0.0	0.0	0.0	

**EXHIBIT "C"**  
**FY14 – FY15**  
**CLASSIFICATION PLAN CHANGES**  
**(June 11, 2013)**

**CLASSIFICATION ADDITIONS**

Class Code	Class Title	Monthly Salary Range	Rep. Unit	Explanation
8578	Meter Reading & Maintenance Supervisor	70 (\$7,238 - \$8,379)	21	Classifications are being added to increase the range of duties of the recently created Meter Reading and Maintenance Division.
8579	Meter Reader/Mechanic Foreman	64 (\$6,241 - \$7,225)	444	
8580	Meter Reader/Mechanic	54 (\$4,877 - \$5,646)	444	

**OTHER CLASSIFICATION PLAN CHANGES**

FROM			TO		Rep. Unit	Explanation
Class Code	Class Title	Salary Range	Class Title	Salary Range		
8577	Manager, Water Meters	80 (\$8,248 - \$11,915)	Manager of Meter Reading & Maintenance	80 (\$8,248 - \$11,915)	MSP	Title is being changed to more accurately reflect the functions of the classification.

## **FINANCIAL POLICIES**

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# Policy 4.02

EFFECTIVE 12 JUL 05

## CASH RESERVES AND DEBT MANAGEMENT

SUPERSEDES 14 JUN 05

### IT IS THE POLICY OF EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Maintain operating and self-insurance reserves necessary to provide ongoing working capital while maintaining a reasonable balance between debt and current revenue financing of capital projects. Adequate reserves and sound financial policies promotes the District's good standing in the capital markets; provides financing flexibility; avoids potential restrictive debt covenants; maintains markets for District debt; and facilitates future financing of capital projects at reasonable costs.

Maintaining the balance between current funding sources and debt financing is critical to retaining the District's financing flexibility. Flexibility allows the District to use a variety of revenue or debt-financing alternatives, including issuing low cost variable rate and other revenue supported debt.

### Financial Goals

- Maintain operating reserves at a level sufficient to meet working capital and unanticipated needs consisting of the following:
  - Maintain Working Capital Reserve of at least 3.0 times monthly net operating and maintenance expenses.
  - Maintain Self-Insurance Reserve at 1.25 times expected annual costs.
  - Maintain Workers' Compensation Reserve equal to the estimated future liability for Workers' Compensation claims.
  - Maintain Contingency and Rate Stabilization Reserve for the Water System of 20 percent of projected annual water volume revenues and for the Wastewater System of 5 percent of operating and maintenance expenses.
- Maintain a balance between current funding sources and debt financing over each five-year plan horizon:
  - Debt Service Coverage Ratio: Maintain an annual revenue bond debt coverage ratio of at least 1.6 times coverage.
  - Debt-Funded Capital Spending: Limit debt-funded capital to no more than 65 percent of the total capital program over each five-year planning period.
  - Commercial Paper/Variable Rate Debt: Limit to 25 percent of outstanding long-term debt.

### Authority

Motion No. 058-94, April 12, 1994  
As amended by Resolution No. 33211-00, June 27, 2000  
As amended by Resolution No. 33429-04, June 8, 2004  
As amended by Resolution No. 33481-05, June 14, 2005  
As amended by Resolution No. 33485-05, July 12, 2005

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# Policy 4.04

EFFECTIVE 28 APR 09

SUPERSEDES 09 JAN 07

## FINANCIAL PLANNING AND BUDGETARY CONTROL

### IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Establish a financial plan and biennial budget for the Water System and the Wastewater System, to include:

- Financial Planning**
- Efficient use of the District's resources through annual organizational, operational, construction, and financial planning, and by controlling costs and significant items of expenditures.
  - Planning of operating and capital programs and setting levels of related operating, capital, and debt service expenditures that may be made during the budget period.

- Financial Monitoring**
- Ensuring that the total amount expended and committed does not exceed the total revenue and receipts available during the fiscal year.
  - Periodic status reports on expenditures, revenues, and investments.

**Transfers**

The General Manager is authorized to transfer up to 5% of the fiscal years' adopted budget between the capital and operating budgets in each of the Water and Wastewater Systems' budgets provided that the total budget for each of the two systems remains unchanged.

**Authority**

Resolution 27058, August 27, 1974  
 As amended by Resolution 32874-94, August 9, 1994  
 As amended by Resolution 33177-99, November 23, 1999  
 As amended by Resolution 33577-07, January 9, 2007  
 As amended by Resolution 33710-09, April 28, 2009

**References**

Policy 7.03	Emergency Preparedness/Business Continuity
Policy 4.02	Cash Reserves and Debt Management
Procedure 417	Financial Planning and Budgetary Control

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# Policy 4.07

EFFECTIVE

26 MAR 13

SUPERSEDES

24 APR 12

## INVESTMENT POLICY

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### IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Invest District funds and funds managed by the District on behalf of its Joint Powers Authorities (JPA) in compliance with investment criteria for safety, liquidity, yield and diversity as set forth herein. Investments shall be in securities with a range of maturities to provide a high rate of return on investments while providing adequate security and liquidity to pay demands when due.

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**Authority** Section 53600 et. seq. of the California Government Code, Article 7 in Chapter 6 of the Municipal Utility District (M.U.D.) Act, and Board Resolution No. 33232-01 defines the types of allowable investments and delegates to the Director of Finance as the Treasurer the authority and responsibility to invest idle monies of the District. The investment of bond proceeds are specifically defined in the individual bond indenture documents and are not included in this policy. Section 53635 of the California Government Code defines how investments are to be handled for Joint Powers Authorities.

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**Investment Criteria** Criteria for selecting investments, in order of priority are:

1. *Safety* - The District's ability to recover principal and interest. Investments shall be made that will seek to ensure the preservation of principal and interest and minimize risk to the greatest extent possible. It is the primary duty of the Treasurer to protect, preserve and maintain cash and investments on behalf of the District.
2. *Liquidity* - The District's ability to have cash available when needed to support expenditure cycles and budgetary objectives. The average maturity of the portfolio shall not exceed 720 days in order to balance liquidity and yields.
3. *Yield* - Ability to provide maximum return on the District's investments while conforming to the safety and liquidity criteria above.
4. *Diversity* - Ability to maintain a broad investment portfolio for the District. In order to accomplish this, no more than 40% of the total portfolio shall be invested in any one type of security, and other than federally backed securities, no more than 10% in any one investment issue, nor more than 10% with any one issuer.

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**Investment Options** The District is able to purchase investments in the following instruments as stipulated under Section 53601 et. seq. of the California Government Code, Article 7 in Chapter 6 of the M.U.D. Act, Board Resolutions and guidelines set by the District:

1. U.S. Treasury Notes, Bonds and Bills
  - Unlimited investments
  - Maturity date not to exceed 5 years
2. State of California, Local Agency Investment Fund (LAIF)
  - Maximum limit as determined by Section 16429.1 of the California Government Code.

3. Obligations issued by Federal Agencies or a U.S. Government sponsored enterprise such as the Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), and Federal National Mortgage Association (FNMA).

- Each agency holding limited to 40% of the Portfolio Investments
- Maturity date not to exceed 5 years

4. Banker's Acceptances

- Limited to 40% of the District's Portfolio
- Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more
- Maturity not to exceed 180 days
- Prime quality depending on size and credit worthiness of Bank
- Issued by banks from offices in the U.S.

5. Commercial Paper

- Limited to 25% of the District's Portfolio
- Maturity not to exceed 270 days
- Ratings of A1, P1 or F1 by either S&P, Moody's, or Fitch respectively
- Eligible Commercial Paper is limited to those issued by corporations organized and operating in the U.S., with total assets exceeding \$500,000,000

6. Medium Term Corporate Notes

- Limited to 30% of the District's Portfolio
- Maturity not to exceed five years
- Issued by corporations operating within the United States
- Rated AA or higher by one nationally-recognized rating service. If the rating drops below AA, an evaluation of the credit will be performed to determine if the notes should be sold.

7. Repurchase Agreements

- Limited to 20% of the District's investment portfolio
- Maturity not to exceed 270 days
- Collateral may be any securities authorized in items 1 through 5 above
- A Master Repurchase Agreement must be on file with the District
- Security marked to market on a daily basis and delivered to the District's custodial bank at a market value of at least 102%
- Primarily used as a limited term investment and a vehicle to fill particular dates and amounts

8. Certificates of Time Deposit

- Maturity not to exceed 5 years
- On uncollateralized deposits, limited to \$100,000 per Bank or Savings & Loan, or maximum FDIC insured
- On collateralized deposits, limited to 30% of District's Investment Portfolio
- Investment in local branches within the District, whenever possible
- Deposits over \$100,000 will be collateralized in accordance with Sections 53651 and 53652 of the California Government Code
- Deposits will be supported by a Contract for Deposit of Money with the depositing bank
- An important consideration will be credit worthiness/solvency of the banking institution as evaluated by S&P or Moody's or other evaluator of financial institution's fiscal stability

9. Negotiable Certificates of Deposit

- Limited to 30% of the District's portfolio
- Maturity not to exceed five years
- Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more, and a credit rating of AA or higher

10. Money Market Mutual Funds

- Rated AAA (or equivalent highest ranking) by two of the three largest nationally recognized rating services
- Unrated funds with assets under management in excess of \$500,000,000 and which has retained an advisor registered with the Securities and Exchange Commission with no less than five years experience investing in instruments allowed under the District's investment policy
- Permitted investments conform to those authorized by the California Government Code (Sections 53601 et seq.)
- May not represent more than five percent (5%) of the money market fund's assets.

11. Municipal Bonds

- Limited to 40% of the District's portfolio
- Maturity date not to exceed 5 years or with a put provision within 5 years of date of purchase
- Rated AA or higher by one nationally-recognized rating service. If the rating drops below AA, an evaluation of the credit will be performed to determine if the notes should be sold.
- Notes must be issued by the State of California or a local California agency. Notes maturing within 365 days must have a rating of MIG-1, SP-1, or F-1 by either Moody's, S&P, or Fitch respectively. If a rating is revised downwards at any time, an evaluation will be made to determine if the notes should be sold.

## 12. California Asset Management Program (CAMP)

- Limited to 10% of the District's portfolio
- Investments will be made in the CAMP Investors Shares Series
- Rated highest short term rating by either S&P, Moody's or Fitch

**Investment Placement**

Investment placement shall be determined by, but not limited to, continual evaluation and projection of market conditions, interest rate trends, cash flow needs, economic data, yield curves, and interest rate forecasts. Additionally, the Treasurer will obtain at least three quotations from dealers, brokers, banks or savings and loan associations before finalizing any investment purchase for all investments in excess of \$1 million. The combination of these factors shall determine where, in what denomination, and for what maturity investments are made.

**Selling Securities Prior To Maturity**

Losses are only allowable if either the sale of securities was necessary to meet payment obligations where no other funds are available, or the proposed swap/trade can enhance yield over the life of the new security on a total return basis.

**Collateral**

Securities placed with agents of depository shall at all times be maintained as specified in District Resolution 33232-01 in one or more trust companies, State or national banks located within California, the Federal Reserve Bank, or with any state or national bank located in any city designated as a federal reserve city by the Board of Governors of the Federal Reserve System, and to take from any such banks or trust companies receipts for securities so deposited. Requests for Collateral substitution and releases are subject to the Treasurer's written approval.

**Purchasing Entities**

Investments not purchased directly from the issuer will be purchased from:

- Institutions licensed by the State of California as a broker - dealer
- National or California State Chartered Banks
- Federal or California Chartered Savings Institution
- Brokerage firms designated as a primary government dealer by the Federal Reserve Bank
- Member of a federally regulated securities exchange

The Treasurer shall maintain a current eligible list of established dealers, brokers, banks and savings and loan associations with which securities trading and placement of funds are authorized. Strong capital base and credit worthiness are primary criteria for inclusion on the approved list. Dealers and brokers shall be regulated by the Securities and Exchange Commission and be members in good standing of the National Association of Securities Dealers.

**Investment Security**

To ensure a high degree of internal control, the District shall comply with the following:

1. All Securities purchased from dealers and brokers shall be held in safekeeping by the District's custodial bank, a national bank, a State chartered bank or trust company, established for this purpose as someone other than the selling party of the security. Securities purchased will be covered by a trust or safekeeping receipt in a manner that establishes the District's ownership. All transactions require delivery of the security prior to payment for the security (delivery vs. payment).
2. All trade confirmations shall be received directly and reviewed for conformity to the original transaction by an individual other than the person originating the transaction. All trade confirmations must be an original; copies of confirmations are not allowed. Any discrepancies will be brought to the attention of the Treasurer.

**Fund Wire Procedures**

Payment for securities purchased from broker dealers that are ineligible to provide safekeeping will be made through the District's custodial bank. Funds will only be transferred subsequent but immediately following the custodial bank's acknowledgment that they are prepared to make settlement on the terms and conditions specified by the District. Payment for securities purchased from bank investment departments that will be safe kept with the trust department of the bank will be made immediately upon confirmation of the trade.

**Review And Reporting Requirements**

On a quarterly basis the Treasurer shall prepare and submit a report to the General Manager and the Board of Directors listing investment transactions for the quarter and providing an investment summary by security type, percent of the portfolio, investment yield and the remaining period of investment to maturity.

On an annual basis, in accordance with Section 53646 of the California Government Code, an investment policy may be presented to the Board for consideration at a public meeting. In conjunction with the investment policy consideration, the Board shall also annually review the delegation of its authority for the management of investments to the Treasurer of the District.

**Performance Review And Internal Control**Office of Internal Audit

The Office of Internal Audit will periodically audit the investment portfolio to evaluate the effectiveness of the District's investment program as well as its compliance with the Investment Policy. These audits will supplement the annual review by the District's external auditors.

Finance Department

The Director of Finance will review the investment portfolio monthly for compliance with the Investment Policy and make recommendations for changes and improvements where warranted.

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**Authority**

Resolution No. 33019-96 on December 10, 1996,  
Amended by Resolution No. 32877-94 on January 26, 1999  
Amended by Resolution No. 33232-01 on January 9, 2001  
Amended by Resolution 33287-02 on January 22, 2002  
Amended by Resolution 33350-03 on February 25, 2003  
Amended by Resolution 33390-04 on January 27, 2004  
Amended by Resolution 33464-05 on February 22, 2005  
Amended by Resolution 33516-06 on January 24, 2006  
Amended by Resolution 33585-07 on March 13, 2007  
Approved by Resolution 33658-08, February 26, 2008  
Approved by Resolution 33702-09, February 24, 2009  
Approved by Resolution 33752-10, January 26, 2010  
Approved by Resolution 33792-10, November 23, 2010  
Approved by Resolution 33871-12, April 24, 2012  
Approved by Resolution 33920-13, March 26, 2013

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# Policy 4.13

EFFECTIVE 24 APR 12

SUPERSEDES 27 APR 10

## ESTABLISHING WATER RATES

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### IT IS THE POLICY OF EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Establish water rates that provide adequate revenues while remaining affordable, encourage conservation and efficient use of water, and reflect the cost of providing service to customers. Rates should also enhance the District's ability to provide a safe, reliable, and sufficient water supply to its customers over the long term.

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**Rate Methodology** District water rates are developed using a cost-of-service methodology recommended by the American Water Works Association (AWWA). These cost-based principles are intended to properly allocate the reasonable estimated costs to those customer classifications whose service demands give rise to the costs. The costs are based on the District's water distribution system components, and a determination of the costs of service associated with the customer service characteristics for each customer class.

AWWA recommended cost allocation methodology allocates cost to the District's customer classifications as follows:

- Allocation of costs applicable to the functional cost components of water service which could include extra capacity (peaking demands);
- Distribution of the component costs to the various customer classes in accordance with their requirements for service; and
- Design of water rates that will recover from each class of customer, within practical limits and consistent with District policy and applicable law, the reasonable, estimated costs to serve that class of customer.

Water rates shall be developed using an AWWA methodology, recognized practices in the industry and sound economic judgment. A cost-of-service water rate study is to be completed every ten years.

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**Rate Design** In addition to reflecting the cost of service, water rates should be designed with consideration of the impact on conservation and water supply enhancement. Such strategies may include incentive pricing for water, and/or recycled water, and drought rates to curtail unreasonable use and effectively allocate the water supply during periods of limited availability.

These rate design objectives are in furtherance of and consistent with:

- The Memorandum of Understanding Regarding Urban Water Conservation, dated September 1991 and signed by more than 150 entities (including EBMUD), which lists specific "water conservation best management practices" that the Legislature has declared, if implemented, will achieve reasonable, yet substantial, reductions in water use in California. The Legislature has further declared that water conservation best management practice number 1.4, conservation pricing of water through rate structure design, will provide incentives to water customers to reduce average or peak water demand use, or both.

- AB 1712, signed into law by Governor Wilson on August 25, 1993, which declares that water conservation is an important component of California’s water policy for the future; that all reasonable efforts to conserve water should continue to be a high priority of California’s water policy; and expressly provides that any public agency which supplies water for municipal use may encourage water conservation through rate structure design.
- SBx7-7 (2010) (Water Code section 10608.16) which calls on the State to make progress toward reducing urban per capita water use by 10% by 2016 and by 20% by 2021.
- Article X, section 2 of the California Constitution which declares “that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare.”

The District’s water rate structure should also provide sufficient flexibility to allow for sales of subsistence water to low-income customers at an affordable price.

**Rate Distribution**

To ensure fairness in rates applicable to single family residential customers, tiered rates for single family residential customers shall not be increased or decreased in one tier by more than 5% of any adjustment made to other tiers for the purpose of meeting annual budget requirements. This does not apply to rates adopted by the Board of Directors in response to a water shortage condition.

**Public Involvement in Rate Setting**

Prior to the Board’s consideration of new water rates or revisions to existing water rates, a staff report presenting rate recommendations will be filed with the Board of Directors and made available to the public. EBMUD will conduct at least one public hearing on rates and take other steps to meet or surpass public involvement requirements on rate setting that are established by law.

**Authority**

Resolution No. 32985-96, May 14, 1996,  
 Amended by Motion 143-96, June 25, 1996.  
 Amended by Resolution 33550-06, July 25, 2006  
 Amended by Resolution 33763-10, April 27, 2010  
 Amended by Resolution No. 33871-12, April 24, 2012



**STRATEGIC PLAN**  
**and**  
**KEY PERFORMANCE INDICATORS**



# *Strategic Plan*

**July 2012**



*East Bay Municipal Utility District*

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## Introduction

*Welcome to the East Bay Municipal Utility District's Strategic Plan. This document is a blueprint for how EBMUD will respond to future challenges and changing priorities. It confirms our mission and values as a public utility dedicated to high quality service and preservation of our precious resources for future generations. Our plan incorporates the principles of sustainability and effective use of resources that minimize our environmental footprint. It also outlines the specific goals, strategies, and objectives we will pursue to move us from where we are to where we want to be and establishes a set of criteria to measure our progress.*

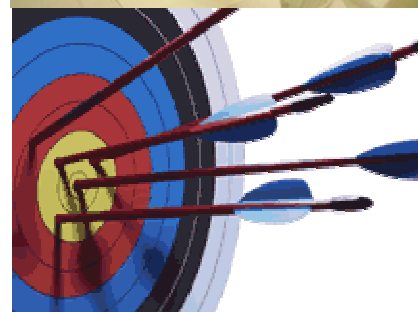
### *The Planning Process*

The District's first Strategic Plan was adopted in May 2004. It took many months for the first plan to develop and take shape. With the help of our Board of Directors, we reconfirmed our mission and values, which were first established in February 1992. Our senior management team then took on the task of identifying the critical issues facing the District in the future and determining how best to address them. The result was a plan that outlined the goals, strategies, objectives, and key performance indicators that would help us carry out our mission.

- **Goals** are the important outcomes we want to achieve;
- **Strategies** are the direction or course we want to take to reach those goals;
- **Objectives** reflect what we need to accomplish in the near term; and
- **Key Performance Indicators** measure how well we are doing in achieving our goals.

It has been eight years since the first Strategic Plan was published. Since that time we have developed and updated two-year business plans designed to carry out the objectives contained in the Strategic Plan. We have also used these plans to set priorities for the biennial budgets and individual performance plans. We refined the Key Performance Indicators that measure our progress in achieving our goals.

This fifth publication of our Strategic Plan builds on the efforts of the first four plans. Most of our goals and many of the strategies and objectives have remained the same over the past several years. We continue to optimize our infrastructure investments, look for ways to use new technology to our advantage, and adapt to evolving demographic and workforce trends. The updated Strategic Plan continues to maintain our commitment to the mission of the District while anticipating new challenges that the District will face in future years.



### *Implementing the Plan*

This plan provides the District with overall direction on how to achieve future success. It does not, however, describe all of the specific actions we will need to take in order to achieve our objectives. These actions are spelled out in a series of master plans, business plans and the Capital Improvement Plan that outline the tasks, milestones, and key dates for the various objectives contained in the strategic plan.

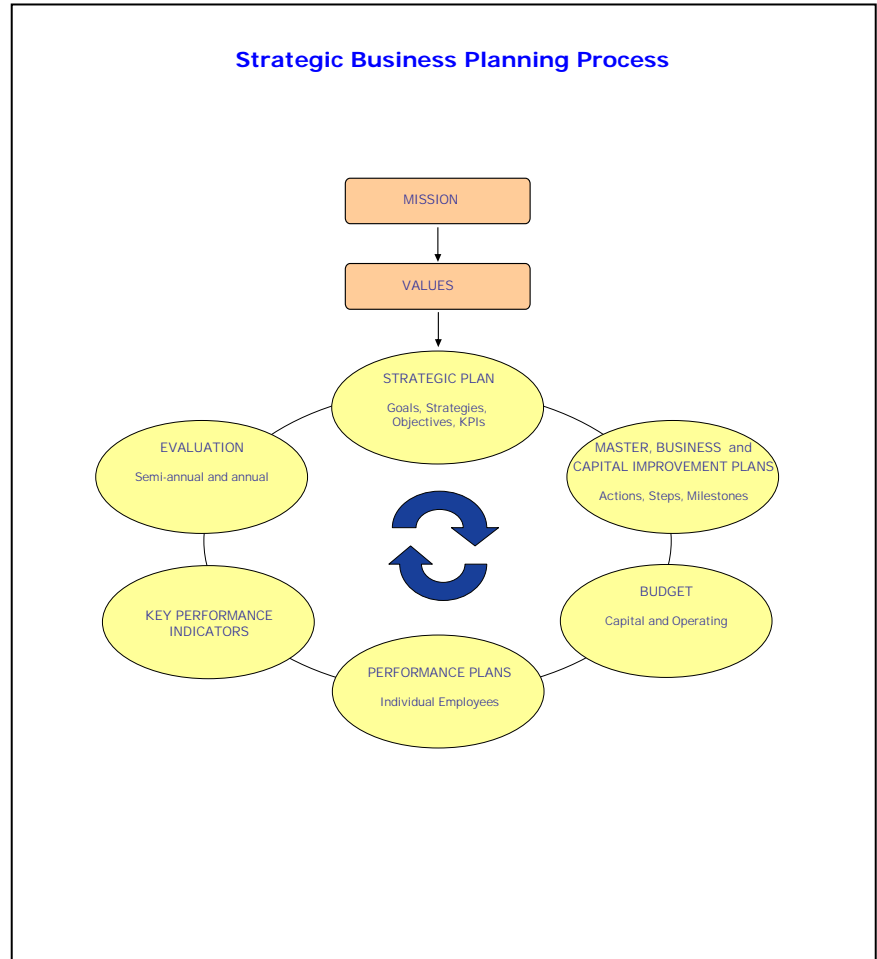
These plans are developed to guide the budget preparation cycle. By developing plans that are tied to the strategic plan and utilizing these plans to guide our budget priorities, we can ensure that we focus our resources on the highest priorities of the District.

Individual employee performance plans prepared on an annual basis reflect the priorities contained in the master, business, capital improvement and strategic plans, giving the employee a clear understanding of how his/her work relates to the District as a whole.

### *Key Performance Indicators*

This update of the strategic plan focuses on our Key Performance Indicators (KPIs). The plan includes 45 KPIs that are appropriate, measurable, comprehensive, and reflect the various strategies contained within the six

Strategic Plan goals. Included in this Strategic Plan is a description of each indicator, actual performance in FY11, as well as performance targets for FY12 and FY13. Performance against our targets is measured annually and enables us to evaluate our progress in meeting our Strategic Plan goals. The last evaluation report was completed in September 2011 and included information on targets met and not met in FY11.



## Mission

*To manage the natural resources with which the District is entrusted; to provide reliable, high quality water and wastewater services at fair and reasonable rates for the people of the East Bay; and to preserve and protect the environment for future generations.*

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## Values

- Exercise responsible financial management
  - Ensure fair rates and charges
  - Provide responsive customer service
  - Promote ethical behavior in the conduct of District business
  - Ensure fair and open processes involving the public
  - Provide a healthy work environment
  - Promote diversity and equality in personnel matters and contracting
  - Promote environmental responsibility and sustainability
- 

## Sustainability Principles

Sustainability means using resources (economic, environmental, and human) in a responsible manner that meets the needs of today without compromising the ability of future generations to meet the needs of tomorrow. This business approach applies a holistic view and strives to minimize waste; conserve energy and natural resources; promote long-term economic viability; support safety and well-being for employees, communities, and customers; and benefit society.

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## Goals

The District has established a comprehensive set of goals integrating sustainability principles.

- **Long Term Water Supply**  
*Ensure a reliable high quality water supply for the future.*
  - **Water Quality and Environmental Protection**  
*Meet or surpass environmental and public health standards and protect public trust values.*
-

- **Long Term Infrastructure Investment**

*Maintain and improve the District's infrastructure in a cost effective manner to ensure sustainable delivery of reliable, high quality service now and in the future.*

- **Long Term Financial Stability**

*Manage the District's finances to support District needs and maintain reasonable water and wastewater rates.*

- **Customer Service**

*Understand and be responsive to customer expectations for service.*

- **Workforce Planning and Development**

*Ensure ample talent to do the District's work today and tomorrow.*



## Long Term Water Supply

**Goal:** *Ensure a reliable high quality water supply for the future.*

### Strategy 1

Preserve current entitlements and augment the District's successful water supply projects by obtaining an additional 32 Million Gallons per Day (MGD) of supplemental supplies sufficient to meet customer demands in the year 2040 with up to 15% rationing.



Mokelumne River, EBMUD's primary water source.

#### Objectives:

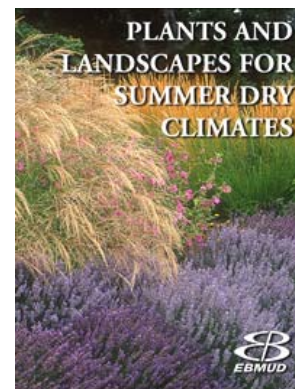
- Obtain a license for Mokelumne entitlements that maximizes benefits to District customers.
- Diversify water supply through regional partnerships and complete the Water Supply Management Program (WSMP) 2040 to prioritize water transfers, conjunctive use, desalination, and other water supply opportunities and cost-effectively improve reliability.
- Effectively utilize the Freeport Regional Water Project.
- Maintain updated plans which document supply and demand conditions, analyze future needs, anticipate obstacles, and prescribe strategies and actions for meeting future requirements consistent with District policy.
- Integrate the District's long term water supply strategies and infrastructure planning efforts into the Statewide planning processes.

### Strategy 2

Continue the District's conservation program to reduce potable water demand and build on past success to achieve 39 MGD of additional conservation by the year 2040.

#### Objectives:

- Implement a comprehensive water conservation education and marketing plan for customers.
- Offer a range of flexible water conservation incentive programs designed to change customers' habits and hardware that lead to water savings.
- Identify, encourage, and create partnerships to benchmark, research, and test new water conservation technologies, applications, and measurement methodologies.
- Evaluate and prioritize water conservation measures to achieve demand reduction most cost-effectively.



EBMUD's award winning plant book

- 💧 Pursue educational, regulatory, and legislative initiatives that promote water conservation.

**Strategy 3**

**Continue the District’s recycling program to reduce potable water demand and build on past success to achieve 11 MGD from additional recycling projects by the year 2040.**

**Objectives:**

- 💧 Implement currently identified irrigation, commercial, and industrial recycled water projects.
- 💧 Pursue educational, regulatory, and legislative initiatives that promote water recycling.
- 💧 Invest in innovative technology to improve cost-effectiveness.
- 💧 Identify and evaluate new opportunities for recycled water.



East Bayshore Recycled Water Project supplies water for landscape, industrial, and commercial use.

**Strategy 4**

**Develop and implement a Climate Change Monitoring and Response Plan to inform the District’s future water supply, water quality and infrastructure planning and support “no regrets” infrastructure investment decisions, and mitigate District greenhouse gas (GHG) emissions that contribute to climate change.**

**Objectives:**

- 💧 Assess climate change science and develop scenarios that illustrate a range of potential impacts from key variables (temperature rise, sea level rise, precipitation, snow pack and runoff).
- 💧 Use the scenarios to identify critical infrastructure vulnerabilities and make cost-effective infrastructure investments adaptable to a range of foreseeable conditions (i.e. “no regrets” investments).
- 💧 Account for GHG emissions from District facilities and investigate mitigation programs.
- 💧 Educate policymakers on District and industry climate change concerns and interests, and advocate for reasonable legislation and regulatory changes.



Pardee Reservoir during 1977 drought.

- Inform the public how EBMUD is affected by and responding to climate change.

**Long Term Water Supply Key Performance Indicators**

Key Performance Indicator	FY11 Performance	FY11 Target Met ?	FY12 Target	FY13 Target
<p>Supplemental Supply</p> <ul style="list-style-type: none"> <li><i>32 MGD of new supplemental dry year supply by 2040.</i></li> <li><i>Sufficient supplies to hold rationing to a maximum of 15% during the next 3 years, based on projected demand and drought planning sequence.</i></li> </ul>	<ul style="list-style-type: none"> <li>Project prioritization procedure developed</li> <li>Water transfer implementation plan completed</li> <li>Bayside management plan development initiated</li> <li>Regional Desalination Project Agreement finalized and approved by 4 agencies, SFPUC approval is pending</li> <li>Sacramento County groundwater plan prepared</li> <li>Bayside Groundwater – Phase 1 first year start-up and testing to be completed in July 2011</li> </ul>	<ul style="list-style-type: none"> <li>●</li> <li>●</li> </ul>	<ul style="list-style-type: none"> <li>Prioritize supplemental supply projects included in the capital budget</li> <li>Initiate discussions with potential water transfer partners</li> <li>Begin developing an East Bay Plain Groundwater Management Plan</li> <li>Initiate work on Regional Desalination Project</li> <li>Begin implementing Sacramento County groundwater projects</li> <li>Begin planning for Bayside Groundwater Project – Phase 2</li> </ul>	<ul style="list-style-type: none"> <li>Develop principles of agreement with Contra Costa Water District to store water in Los Vaqueros Reservoir</li> <li>Develop principles of agreement with preferred water transfer partners</li> <li>Complete an East Bay Plain Groundwater Management Plan</li> <li>Complete system modeling for Regional Desalination Project</li> <li>Prioritize supplemental supply projects included in the capital budget</li> <li>Develop banking concepts for San Joaquin and Sacramento Counties</li> </ul>
<p>Water Conservation</p> <ul style="list-style-type: none"> <li><i>39 MGD savings from conservation programs/natural replacement by 2040.</i></li> </ul>	<ul style="list-style-type: none"> <li>1.5 MGD from conservation savings</li> <li>Water Conservation Master Plan commenced</li> <li>Additional savings from ongoing customer response to drought messages</li> </ul>	<ul style="list-style-type: none"> <li>●</li> </ul>	<ul style="list-style-type: none"> <li>1.2 MGD from conservation savings</li> <li>18% reduction in per capita demand by 2018; 20% reduction by 2020</li> <li>Complete a Water Conservation Master Plan</li> </ul>	<ul style="list-style-type: none"> <li>1.2 MGD from conservation savings</li> <li>18% reduction in per capita demand by 2018; 20% reduction by 2020</li> <li>Implement Water Conservation Master Plan</li> <li>Achieve statewide MOU Best Management Practice compliance</li> </ul>
<p>Water Recycling</p> <ul style="list-style-type: none"> <li><i>11 MGD of recycled water capacity by 2040.</i></li> </ul>	<ul style="list-style-type: none"> <li>Continued East Bayshore Phase 1A customer retrofits and connections which achieved 0.15 MGD (55 MG)</li> </ul>	<ul style="list-style-type: none"> <li>●</li> </ul>	<ul style="list-style-type: none"> <li>Complete design of East Bayshore I-80 pipeline, construction pending state funding</li> </ul>	<ul style="list-style-type: none"> <li>Complete construction of East Bayshore I-80 pipeline</li> <li>Continue East Bayshore Phase 1A</li> </ul>

Key Performance Indicator	FY11 Performance	FY11 Target Met ?	FY12 Target	FY13 Target
	<ul style="list-style-type: none"> <li>Substantially completed construction of federally funded San Ramon Valley Recycled Water Project Phases 2B, 3C, and a portion of 3A</li> <li>Began operating the RARE Water Project which delivers an average of 3.5 MGD of recycled water to Chevron</li> <li>Completed the Recycled Water Master Plan</li> </ul>		<ul style="list-style-type: none"> <li>Continue East Bayshore Phase 1A customer connections/ retrofits</li> <li>Secure supplemental supply for DERWA/San Ramon Valley Recycled Water Program</li> <li>Complete construction of San Ramon Valley Phases 2B and 3C and de-scoped 3A (Danville)</li> <li>Coordinate with USACE to award a contract for San Ramon Valley Phase 2A (Bishop Ranch)</li> </ul>	<p>customer connections/ retrofits</p> <ul style="list-style-type: none"> <li>Coordinate with the City of Albany to install a recycled water pipeline in their Buchanan bike trail</li> <li>Coordinate with USACE to award a contract for San Ramon Valley Phase 2A (Bishop Ranch)</li> </ul>
<p>Climate Change</p> <ul style="list-style-type: none"> <li>Update the Climate Change Monitoring and Response Plan to include new information. Explore approaches for how to adapt to potential future conditions and identify “no regrets” infrastructure investment decisions.</li> </ul>	<ul style="list-style-type: none"> <li>The Climate Change Monitoring and Response Plan was updated in FY11 to document the District’s response to climate change</li> </ul>	●	<ul style="list-style-type: none"> <li>Update the Climate Change Monitoring and Response Plan to account for new science when the Intergovernmental Panel on Climate Change releases its Fifth Assessment Report (may not be until 2014) or sooner if there is a significant climate change update</li> </ul>	<ul style="list-style-type: none"> <li>Update the Climate Change Monitoring and Response Plan to account for new science when the Intergovernmental Panel on Climate Change releases its Fifth Assessment Report (may not be until 2014) or sooner if there is a significant climate change update</li> </ul>

n/a = not available

● Target met   ● Target not met, but on track   ● Target not met   ● Target not available   ■ = Performance measure only

## Water Quality and Environmental Protection

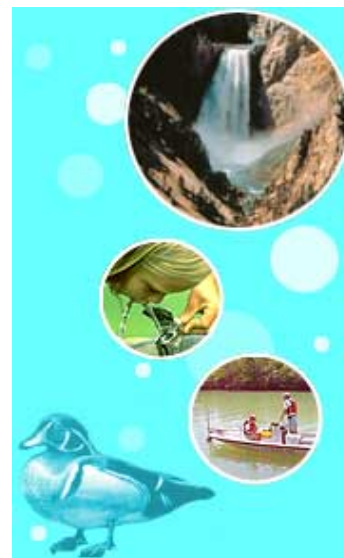
**Goal:** *Meet or surpass environmental and public health standards and protect public trust values.*

### Strategy 1

**Manage the Mokelumne and East Bay watersheds in a way that ensures a high quality water supply and protects natural resources while providing appropriate public access.**

#### Objectives:

- ◆ Perform water quality monitoring and data assessment to adaptively manage the watersheds.
- ◆ Use the Watershed Master Plans as the foundation for standards and protocols to protect natural resources and ensure drinking water quality.
- ◆ Promote and administer watershed protection measures based on sound science.
- ◆ Provide public access and recreational opportunities, and education and outreach compatible with water quality and natural resource protection, and collect user feedback.
- ◆ Develop and implement an invasive species prevention program to protect District facilities and the ecology of the District's reservoirs.



### Strategy 2

**Operate and maintain District facilities to surpass federal and state drinking water regulations with a margin of safety to meet customer expectations.**

#### Objectives:

- ◆ Establish and meet District water quality goals.

### Strategy 3

**Operate and maintain District facilities to anticipate and meet all air, land, and water discharge requirements.**

#### Objectives:

- ◆ Ensure that management of biosolids is cost-effective and environmentally safe.
- ◆ Meet air emission standards.
- ◆ Establish and meet waste discharge goals.

**Strategy 4**

**Minimize impacts to the environment by reducing, recycling, reusing and reclaiming waste, and by conserving natural resources.**

**Objectives:**

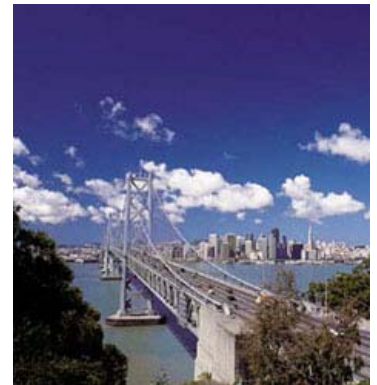
- Focus on reduction of pollutants at the source.
- Identify and implement waste reduction and recycling programs.
- Maximize the use of renewable energy sources and reduce energy consumption.
- Reduce the District's greenhouse gas emissions.

**Strategy 5**

**Ensure protection and stewardship of San Francisco Bay.**

**Objectives:**

- Develop and implement additional Pollution Prevention activities that will further reduce pollutant discharges to San Francisco Bay.
- Manage water supply, conservation and recycling projects in a manner that places emphasis on protection of the San Francisco Bay and Delta ecosystem.
- Support collaborative efforts and programs that develop watershed solutions to challenging San Francisco Bay water quality issues.
- In collaboration with the satellite collection system communities and the regulators, develop and implement an Inflow and Infiltration Control Program that will, over the long-term, eliminate wet weather facility discharges to San Francisco Bay.



EBMUD has helped protect public health and the aquatic environment of San Francisco Bay for more than 50 years.

**Strategy 6**

**Advocate for water quality and environmental regulations that are based on sound science, are protective of public health and beneficial uses and that are attainable and sustainable.**

**Objectives:**

- Support sound science initiatives associated with the District's interest.
- Sponsor legislative modifications to improve laws that do not adequately address current situations.



- Advocate for funding of needed research.
- Promote collaborative relationships within the professional community to further regulatory and legislative initiatives.
- Promote environmental regulations that are based on watershed approaches and result in achieving water quality objectives through the most cost-effective and sustainable means.

**Water Quality and Environmental Protection Key Performance Indicators**

Key Performance Indicator	FY11 Performance	FY11 Target Met ?	FY12 Target	FY13 Target
Watershed Protection				
• <i>Mokelumne River Fall-Run Chinook Salmon Escapement (Long Term Average)</i>	6,887	●	4,187	4,402
• <i>% of JSA Mokelumne River Minimum Flow Releases Met</i>	100%	●	100%	100%
Compliance with Drinking Water Regulations				
• <i>% of Water Quality Goals Met</i>	97%	●	100%	100%
• <i>% of Water Quality Regulations Met</i>	100%	●	100%	100%
Compliance with Wastewater Regulations				
• <i>Number of NPDES and Waste Discharge Permit Notices of Violation Received</i>	0*	●	0	0
Reduce, Recycle, Reuse, Reclaim				
• <i>10% Net Reduction in GHG Emissions from District Facilities over 2000 Baseline by 2015 (calendar years)</i>	39,024 metric tons	●	< 50,344 metric tons	< 49,972 metric tons
Protect SF Bay				
• <i>Implement source identification to understand the loading of PCBs in the MWWTP influent</i>	• 2 sources of PCBs identified, control measures being developed	●	• Control measures in place for PCB sources identified	• Complete the source study and share it with the Regional Water Quality Control Board and Bay Area Publicly Owned Treatment Works

n/a = not available  
 ● Target met ● Target not met, but on track ● Target not met ● Target not available ■ = Performance measure only

\* SWRCB ruled that the 5 permit exceedances in FY11 were not violations of the NPDES permit

## Long Term Infrastructure Investment

**Goal:** *Maintain and improve the District's infrastructure in a cost effective manner to ensure sustainable delivery of reliable, high quality service now and in the future.*

### Strategy 1

**Maintain coordinated master plans for all facilities which consider current facility condition and performance and address future service needs as well as potential threats, challenges, and opportunities.**

#### Objectives:

- ◆ Develop a master plan for each facility or group of facilities using a common format for master plans.
- ◆ Coordinate master plans and capital projects to optimize investments and staff resources.
- ◆ Routinely inspect and evaluate facilities to support capital and maintenance planning.
- ◆ Consider community and stakeholder concerns, workforce and technology trends, and the potential impacts of climate change as part of the planning process. Involve stakeholders to develop effective project mitigations.
- ◆ Ensure that all system improvements and capital projects meet or surpass environmental and regulatory requirements, and incorporate sustainable practices as embodied in Leadership in Energy and Environmental Design (LEED) as appropriate.

### Strategy 2

**Meet operational needs and reliability goals by implementing effective maintenance practices.**

#### Objectives:

- ◆ Define and document operational needs and reliability goals for each major facility.
- ◆ Expand and refine the use of cost-effective testing methods to determine the need for maintenance or replacement.
- ◆ Implement preventive, predictive, and corrective maintenance programs that are efficient and are based on Reliability Centered Maintenance principles.
- ◆ Ensure maintenance management information is timely, accurate, and accessible.



Polybutylene Lateral Replacement prevents system failures.



**Strategy 3**

Implement the master plans and set priorities in the operating and capital budget process to reflect the needs identified in those plans.

**Objectives:**

- Reflect a balance of costs and risks in the operating and capital budgets that accounts for near-term needs as well as long-term sustainability.
- Complete capital projects on schedule and within budget.
- Use life-cycle cost analysis and value engineering of proposed capital projects to help determine the most cost-effective projects.



San Pablo Dam Seismic Upgrade prevents dam failure in the event of an earthquake.

**Long Term Infrastructure Investment Key Performance Indicators**

Key Performance Indicator	FY11 Performance	FY11 Target Met ?	FY12 Target	FY13 Target
Master Planning				
• <i>Number of Master Plans Completed or Updated</i>	3	●	6	10
Effective Management of Infrastructure				
• <i>Unplanned Water Service Interruptions per 1,000 Active Accounts</i>				
○ <i>&lt;4 hours</i>	6.6	●	≤ 10	≤ 10
○ <i>4-12 hours</i>	3.9	●	≤ 5	≤ 5
○ <i>&gt;12 hours</i>	1.2	●	≤ 2	≤ 2
• <i>Number of Water System Pipeline Breaks per 100 miles of pipe</i>	16.7	●	≤ 20	≤ 20
• <i>Availability of Wastewater Assets</i>	.97	●	.90 - 1.0	.90 - 1.0
Capital Budget Priorities				
• <i>Miles of pipe replaced</i>	8.1	●	8	10
• <i>Design errors and omission change orders on construction contracts</i>	0.9%	●	< 3%	< 3%
• <i>Award construction contract(s) to rehabilitate steel tanks</i>	3	●	3	3
• <i>Completion of a comprehensive condition assessment of the wastewater interceptor system before 2016</i>	15%	●	15%	15%

n/a = not available

● Target met    ● Target not met, but on track    ● Target not met    ● Target not available    ■ = Performance measure only

## Long Term Financial Stability

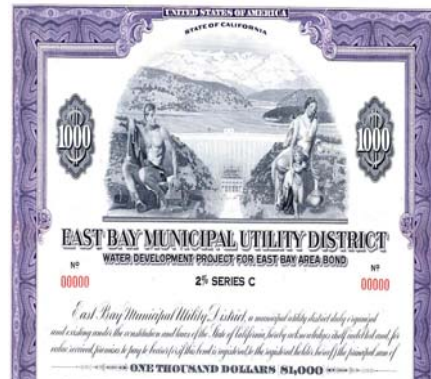
**Goal: Manage the District's finances to support District needs and maintain reasonable water and wastewater rates.**

### Strategy 1

Ensure sufficient revenues to cover the District's needs.

#### Objectives:

- Identify new revenue sources, and actively pursue grant funding opportunities.
- Ensure continuation of existing revenue sources.
- Ensure that fees are fair, equitable, and set at a level that covers the cost of service.



### Strategy 2

Maintain a strong financial position to meet short and long-term needs.

#### Objectives:

- Evaluate and update the District's cash reserve and debt policies biennially.
- Ensure the optimum use of debt that provides financing flexibility and promotes the District's good standing in the capital markets.
- Evaluate and update the District's investment policy annually.

### Strategy 3

Maintain the integrity of District financial systems.

#### Objectives:

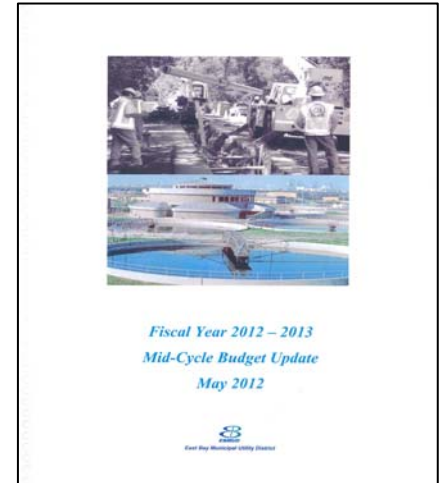
- Develop and maintain accurate, timely, and meaningful financial and operational data.
- Conduct regular internal and external financial audits.
- Maintain and regularly evaluate internal financial controls.

**Strategy 4**

**Make the best use of every dollar spent.**

**Objectives:**

- Develop and manage operating and capital budgets aligned with the strategic plan.
- Regularly re-examine business operations to increase cost-effectiveness.
- Promote diversity and equity in contracting, consistent with state and federal laws.
- When revenues are affected by drought or economic downturns, reduce expenditures as needed.

**Strategy 5**

**Evaluate and implement technologies that lower cost and/or improve service.**

**Objectives:**

- Stay abreast of technology markets and industry changes to take advantage of benefits and to mitigate negative impacts of technology industry changes on District technology investments.
- Develop and apply a consistent approach for technology evaluation, planning and implementation that considers and responds to potential impacts to employees, customers, and other stakeholders.
- Structure and manage data to facilitate sharing by all users and to adequately manage security and regulatory issues.



**Long Term Financial Stability Key Performance Indicators**

Key Performance Indicator	FY11 Performance	FY11 Target Met ?	FY12 Target	FY13 Target
Sufficient Revenue/Fair Rates & Charges • <i>Rates as compared to other Bay Area Agencies</i>	Water - Below median, 12 agencies surveyed	●	At or below median	At or below median
	Wastewater – Above median, 15 agencies surveyed	●	At or below median	At or below median
Financial Position • <i>% of Capital Program Funded from Debt</i>  • <i>Debt Coverage</i>  • <i>Actual Reserves as % of Target</i>	69% Water 38% Wastewater	● ●	≤ 65%	≤ 65%
	1.51 Water 1.65 Wastewater	● ●	≥ 1.6 times coverage	≥ 1.6 times coverage
	100% Water 100% Wastewater	● ●	≥ 100%	≥ 100%
Integrity of Financial Systems • <i>% of Planned Audits Completed</i>  • <i>% of Audit Findings Resolved within 90 Days</i>	88%	●	100%	100%
	100%	●	100%	100%
Budget Performance • <i>Operating Expenditures as a Percentage of Operating Budget</i>  • <i>Capital Expenditures as a Percentage of Capital Budgeted Cash Flow</i>	94% Water 97% Wastewater	● ●	90% to 100%	< 100%
	106% Water 125% Wastewater	● ●	90% to 100%	≤ 100%

n/a = not available  
 ● Target met   ● Target not met, but on track   ● Target not met   ● Target not available   ■ = Performance measure only

## Customer Service

**Goal:** *Understand and be responsive to customer expectations for service.*

### Strategy 1

**Understand customer expectations, opinions and satisfaction levels by obtaining feedback, and use customer input to inform our business decisions.**

#### Objectives:

- ◆ Survey customers and conduct research to assess customer expectations, to monitor customer satisfaction with the District's performance and to measure the impact of public education and marketing campaigns.
- ◆ Compare customer feedback over time to identify trends and changes in customer expectations and to establish and evaluate performance standards related to customer service.
- ◆ Use customer feedback to evaluate and improve programs and services.



### Strategy 2

**Invest in business process changes and technologies that promote customer care, convenience, and self service.**

#### Objectives:

- ◆ Invest in cost-effective technologies that help customers use water wisely and promote cost-effectiveness in service delivery.
- ◆ Expand 24 X 7 customer access to information and services.
- ◆ Implement initiatives that meet the needs and expectations of a diverse customer base.
- ◆ Cultivate a strong customer service focus in District operations and procedures and a customer service ethic among employees.

**Strategy 3**

Maintain an active Emergency Preparedness Program to plan for and manage the District's functions during an emergency and allow for an efficient and effective recovery following an emergency.

**Objectives:**

- Ensure effective and current documentation of Emergency Response Plans, including regional coordination and mutual aid agreements.
- Ensure effective and current documentation of Business Continuity Plans.
- Review and upgrade emergency communication/information technology infrastructure and protocols to meet emergency response and recovery goals.

**Customer Service Key Performance Indicators**

Key Performance Indicator	FY11 Performance	FY11 Target Met ?	FY12 Target	FY13 Target
Customer Satisfaction				
• % of Customers Rating "Overall Job" as "Good" or "Excellent"	n/a	●	n/a*	n/a*
• % of Customers Rating the District's Telephone Response as "Good" or "Excellent"	83%	●	90%	90%
• % of Customers Rating the District's Field Response as "Good" or Excellent"	91%	●	90%	90%
• % of Time Automated Systems Available for Customer Access	99.6%	●	99.9%	99.9%
Emergency Preparedness				
• Update the District's Emergency Operation Plan every two years and conduct an EOT exercise annually	100%	●	100%	100%
• Update all Business Continuity Plans every two years and conduct an exercise for each annually	82% Plans 27% Exercises	●	100%	100%
n/a = not available				
● Target met   ● Target not met, but on track   ● Target not met   ● Target not available   ■ = Performance measure only				

\* Overall customer surveys will not be conducted in FY12-13

## Workforce Planning and Development

**Goal:** *Ensure ample talent to do the District's work today and tomorrow.*

### Strategy 1

Develop and implement workforce plans that ensure critical work is performed, identify new ways to perform work, and meet future workforce needs.

**Objectives:**

- ◆ Regularly assess staffing requirements to anticipate and address increased retirements and other turnovers, advances in technology that afford opportunities for improved efficiency and effectiveness, and changing business needs.

Building EBMUD's Future



### Strategy 2

Enhance the District's ability to recruit a highly qualified, diverse staff.

**Objectives:**

- ◆ Promote EBMUD as an employer of choice in our market and industry by maintaining competitive pay and benefits and using current technologies and other innovations.
- ◆ Continue a variety of recruiting strategies and techniques that target specific employment markets to improve the District's ability to attract and hire quality candidates for employment in a timely fashion.

### Strategy 3

Develop employees to meet workforce demands.

**Objectives:**

- ◆ Communicate District career opportunities and provide support for employees to expand their competencies to meet emerging needs.
- ◆ Provide effective development programs and positions to meet business objectives and afford opportunities for District employees to maintain and enhance current skills and pursue further career development.
- ◆ Maximize opportunities to "grow our own" in anticipation of labor market scarcity and increased competition for talent.

**Strategy 4**

**Actively manage employee performance to ensure that District goals are met.**

**Objectives:**

- Establish and communicate clear performance expectations and standards.
  - Regularly assess and communicate performance against standards.
  - Enhance managers' and supervisors' ability to accurately evaluate performance including recognition of good performance and corrective action to address performance deficiencies.
- 

**Strategy 5**

**Create an environment that encourages retention of employees.**

**Objectives:**

- Provide meaningful and challenging work.
- Maintain a safe, well-equipped workplace.
- Implement organizational practices that value employee contributions, encourage learning, and promote employee wellness and work/life balance.
- Engage employees and labor unions in improving the work of the District through open discussion, focus groups, and other data gathering initiatives to solicit input on programs that motivate retention, resolve issues, and encourage employee participation.
- Improve managers' and supervisors' ability to coach and mentor their employees to improve performance and support continuing development.



**Workforce Planning and Development Key Performance Indicators**

Key Performance Indicator	FY11 Performance	FY11 Target Met ?	FY12 Target	FY13 Target
Recruitment				
• <i>% of Exams Resulting in Hiring Lists within 60 Days</i>	84%	●	75%	75%
• <i>% of District Hires with AA Opportunities</i>	58%	■	--	--
Employee Development				
• <i>% of Competing Leadership Program Graduates Who Place on Applicable Promotional Lists</i>	72%	●	75%	75%
• <i>Annual Average Training Hours per Employee</i>	36.4	●	30	30
Performance Planning & Appraisal				
• <i>% of Performance Plans Completed on Time</i>	99.0%	●	100%	100%
• <i>% of Performance Appraisals Completed on Time</i>	98.8%	●	100%	100%
Employee Retention				
• <i>Employee Injury &amp; Illness Incidence Rate</i>	2.6	●	≤ 3.5	≤ 3.0
• <i>Turnover Rate</i>	8.5%	■	--	--
<i>n/a = not available</i>				
<i>● Target met ● Target not met, but on track ● Target not met ● Target not available ■ = Performance measure only</i>				



STRATEGIC PLAN  
KEY PERFORMANCE INDICATORS  
FOR FISCAL YEAR 2012



***EAST BAY MUNICIPAL UTILITY DISTRICT***

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## INTRODUCTION

This Key Performance Indicators (KPI) report measures the District's performance against its targets as a means to evaluate progress in meeting our goals as outlined in the Strategic Plan, and identifies our targets for the upcoming fiscal year. There are 45 KPIs currently being tracked and are displayed by Strategic Plan goal. A summary of all the KPIs, along with our performance from FY08 through FY12 is shown on the last page.

## STRATEGIC PLAN GOALS

The KPIs have been established around the six goals outlined in the Strategic Plan:

- **Long Term Water Supply**  
Ensure a reliable high quality water supply for the future.
- **Water Quality and Environmental Protection**  
Meet or surpass environmental and public health standards and protect public trust values.
- **Long Term Infrastructure Investment**  
Maintain and improve the District's infrastructure in a cost effective manner to ensure sustainable delivery of reliable, high quality service now and in the future.
- **Long Term Financial Stability**  
Manage the District's finances to support District needs and maintain reasonable water and wastewater rates.
- **Customer Service**  
Understand and be responsive to customer expectations for service.
- **Workforce Planning and Development**  
Ensure ample talent to do the District's work today and tomorrow.

For a complete copy of the 2012 Key Performance Indicators Report, go to [http://www.ebmud.com/sites/default/files/092512\\_finance\\_staff\\_reports.pdf](http://www.ebmud.com/sites/default/files/092512_finance_staff_reports.pdf).

KEY PERFORMANCE INDICATOR – SUMMARY	FY08	FY09	FY10	FY11	FY12
<b>Long Term Water Supply</b>					
<i>32MGD of Supplemental Dry Year Supply by 2040</i>	++	++	++	++	++
<i>Sufficient supplies to hold rationing to a maximum of 15% during next 3 yrs</i>	#	#	#	++	++
<i>39 MGD Savings from Conservation Programs &amp; Natural Replacement by 2040</i>	+	++	++	++	++
<i>11 MGD of Recycled Water Capacity by 2040</i>	++	++	++	++	++
<i>Update the Climate Change Monitoring and Response Plan</i>	#	++	++	++	++
<b>Water Quality and Environmental Protection</b>					
<i>Mokelumne River Fall-Run Chinook Salmon Escapement ,long term average</i>	++	++	++	++	++
<i>% of JSA Mokelumne River Minimum Flow Releases Met</i>	++	++	++	++	++
<i>% of Water Quality Goals Met</i>	+	+	+	+	+
<i>% of Water Quality Regulations Met</i>	++	++	++	++	++
<i>Number of NPDES and Waste Discharge Permit Notices of Violation Received</i>	+	--	--	--	++
<i>10% Net Reduction in GHG Emissions from Facilities over 2000 Baseline by 2015</i>	#	++	++	++	++
<i>Implement source ID/Control to reduce PCBs in MWWTP influent</i>	#	#	#	+	+
<b>Long Term Infrastructure Investment</b>					
<i>Number of Master Plans Completed or Updated</i>	+	++	+	+	+
<i>Unplanned Water Service Interruptions per 1,000 Active Accounts</i>					
o <4 hours	++	++	++	++	++
o 4-12 hours	++	++	++	++	++
o >12 hours	++	++	++	++	++
<i>Number of Water System Pipeline Breaks per 100 Miles of Pipe</i>	++	--	++	++	--
<i>Availability of Wastewater Assets</i>	++	++	++	++	++
<i>Miles of pipe replaced</i>	#	#	+	++	++
<i>Design errors and omission change orders on construction contracts</i>	#	#	++	++	++
<i>Award construction contracts to rehabilitate steel tanks</i>	#	#	++	++	++
<i>Complete a condition assessment of the wastewater interceptor system before 2016</i>	#	#	++	++	++
<b>Long Term Financial Stability</b>					
<i>Water Rates at or Below the Median of other Bay Area Agencies</i>	++	++	++	++	++
<i>Wastewater Rates at or Below the Median of other Bay Area Agencies</i>	+	--	--	--	--
<i>% of Capital Program Funded from Debt</i>	++	++	++	+	--
<i>Debt Coverage</i>	++	+	++	+	++
<i>Actual Reserves as % of Target</i>	++	++	++	++	++
<i>% of Planned Audits Completed</i>	--	+	+	+	+
<i>% of Audit Findings Resolved within 90 Days</i>	++	--	++	++	++
<i>Water Operating Expenditures as a Percentage of Operating Budget</i>	++	++	++	++	++
<i>Wastewater Operating Expenditures as a Percentage of Operating Budget</i>	++	++	++	++	++
<i>Water Capital Expenditures as a Percentage of Budgeted Cash Flow</i>	--	+	--	+	++

KEY PERFORMANCE INDICATOR – SUMMARY	FY08	FY09	FY10	FY11	FY12
<i>Wastewater Capital Expenditures as a Percentage of Budgeted Cash Flow</i>	--	--	--	--	--
<b>Customer Service</b>					
<i>% of Customers Rating District’s Overall Job as “Good” or “Excellent”</i>	+	#	--	#	#
<i>% of Customers Rating District’s Telephone Response as “Good” or “Excellent”</i>	++	++	++	+	++
<i>% of Customers Rating District’s Field Response as “Good” or Excellent”</i>	++	++	++	++	++
<i>% of Time Automated Systems Available for Customer Access</i>	++	+	++	+	++
<i>Update the District’s EOP and Conduct Exercises Annually</i>	#	++	++	++	++
<i>Update 100% of District Business Continuity Plans and Test One Time per Year</i>	#	--	--	--	--
<b>Workforce Planning and Development</b>					
<i>% of Exams Resulting in Hiring Lists within 60 Days</i>	+	--	+	++	--
<i>% of District Hires with AA Opportunities</i>	■	■	■	■	■
<i>% of Competing Leadership Program Graduates Who Place on Applicable Lists</i>	+	++	+	--	++
<i>Annual Average Training Hours per Employee</i>	++	++	++	++	++
<i>% of Performance Plans Completed on Time</i>	+	+	+	+	+
<i>% of Performance Appraisals Completed on Time</i>	+	+	+	+	+
<i>Employee Injury &amp; Illness Incidence Rate</i>	++	++	++	++	++
<i>Employee Turnover Rate</i>	■	■	■	■	■
<b>++ Target met    + Target not met, but on track    --Target not met    #Target/Data not available    ■ = Performance measure only</b>					

## **GLOSSARY**

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## Glossary of Terms

<b>AA</b>	Affirmative Action. Results-oriented actions taken to assure that positions are genuinely and equally accessible to qualified persons without regard to their sex, racial or ethnic characteristics, disability, or status as special veterans.
<b>A &amp; G</b>	Administrative and General. Charges for shared services such as technology, human resources and legal costs that are applied to departments in calculating the total cost of a department that provides services to District customers.
<b>Accrual Basis</b>	Income and expense accounting method that records income items when they are earned and records deductions when expenses are incurred.
<b>Administration of Capital</b>	District-wide and department costs incurred by administration support functions of the government entity which are not directly charged to each capital project but allocated using a rate applied to direct labor dollars.
<b>Adopted Budget</b>	Biennial financial plan and policy statement on the operating and capital programs of the District, approved by the Board of Directors in June for the subsequent two fiscal years.
<b>Amended Budget</b>	The adopted budget, with any mid-year changes in direction, additional programs or modifications in assumptions.
<b>Appropriation</b>	Board approved funding for capital Reference Projects for which relatively accurate time estimates can be made. Unspent appropriations carry forward to the next fiscal year.
<b>BABS</b>	Build America Bonds. A type of municipal bonds created under the American Recovery and Reinvestment Act of 2009. These bonds are sold at a taxable rate and the District will receive cash rebates from the US Treasury.
<b>Board of Directors (Board)</b>	The seven public officials elected to represent the seven wards within the District service area.
<b>Bonds</b>	Borrowed monies allocated to pay for specific capital programs. Debt service payments are made to repay the bond holders. The District's goal is to limit debt funded capital to no more than 65% of the total capital program.
<b>Budget</b>	A financial plan for a specified period of time (Fiscal Year) that matches planned revenues and expenditures with various District services, projects and programs.
<b>Capital Budget</b>	A financial plan for providing the purchase, construction or rehabilitation of fixed assets such as equipment, facilities, and systems.

<b>Capital Expenditures</b>	Expenditures related to the purchase or construction of equipment, building structures, aqueducts and water/sewer pipelines that have a useful life greater than three years and a cost greater than \$5,000.
<b>Cash Basis</b>	Income and expense accounting method that records revenue when cash is received, and records expenses when cash is paid.
<b>Cash Flow</b>	Projected cash disbursements for a given time period, often a fiscal year.
<b>CCF</b>	One hundred cubic feet which equals 748 gallons or one unit.
<b>CIP</b>	Capital Improvement Program. Board approved projects that typically results in the construction of new capital facilities, or the modification or upgrade of existing facilities over a 10-year period. Project costs include all expenditures required to purchase, study, plan, design, construct or repair/upgrade new or existing physical facilities.
<b>CIS</b>	Customer Information System. The District's computer system for billing customers, collecting revenue and recording account information.
<b>Commercial Paper</b>	Limited term financing for capital projects. Commercial paper is repaid by bond funding once the bonds are sold.
<b>Conversion</b>	Change in position status/type. For example, a position may change from Limited Term or Temporary Construction to Regular.
<b>CSC</b>	Capital Steering Committee. Consists of Department Directors and Managers responsible for developing the capital budget and oversight of the CIP.
<b>Debt Service</b>	Expenditures for interest and principal repayment on bonds or other debt.
<b>Debt Service Coverage</b>	The ratio of net revenues to debt service requirements. The District's goal is to maintain a debt coverage ratio of at least 1.6.
<b>Department</b>	A major organizational unit with overall managerial responsibility for functional programs of the District. Each department has its own three-letter code.
<b>DERWA</b>	Dublin San Ramon Services District, East Bay Municipal Utility District, Recycled Water Authority. A joint program to supply recycled water to portions of San Ramon, Danville, Blackhawk and surrounding areas.
<b>Distribution System</b>	Water treatment plants, storage reservoirs, pumping plants, pipelines, and appurtenances that treat and transmit water to District customers.
<b>Division</b>	A major organizational unit of a Department. Most departments have several divisions each providing different services.

<b>EBMUD</b>	East Bay Municipal Utility District. A publicly owned utility formed in 1923 under the Municipal Utility District Act to provide water service in portions of Alameda and Contra Costa Counties. Also referred to as the District.
<b>Encumbrance</b>	The obligated and unspent portion of a contingent liability established through a purchase order that is chargeable to an account. It ceases to be an encumbrance when paid-out by the recording of an invoice or reduction of the purchase order outstanding balance.
<b>Enterprise Fund</b>	Funds in which a fee, rather than taxes, is charged to external users for goods or services, and costs are recovered.
<b>Expenditure</b>	The payment of an obligation from the District's cash amounts.
<b>Expenditure Category</b>	There are three types of expenditures: labor costs, contract services, and all other costs or operation/maintenance costs.
<b>Fiduciary Fund</b>	Funds in which assets are held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. There are four types of fiduciary funds: Pension (and other employee benefit), Investment, Private-Purpose and Agency.
<b>Fiscal Year</b>	The 12-month period that begins July 1 and ends June 30 of the following year.
<b>Flexible Staffing</b>	An option that allows one position to be filled by two or more different job classifications.
<b>Freeport Regional Water Project</b>	A joint project with the Sacramento County Water Agency to secure a supplemental dry-year water supply.
<b>FTE</b>	Full-Time Equivalent. The ratio of the number of hours an employee is paid compared to the number of working hours. An employee who works full time counts as 1 FTE or 1 staff year, based on one year equaling 52 weeks times 40 hours/week, or 2,080 hours. An employee who works part-time or half of a year, counts as .5 FTE.
<b>Fund</b>	A fiscal entity with a set of accounts recording financial resources, together with all related liabilities, which are segregated for the purpose of carrying on specific activities in accordance with special regulations or restrictions. The primary District funds are the Water System Fund (WSG) and Wastewater Fund (WWG).
<b>GAAP</b>	Generally accepted accounting principles.
<b>General Fund Reserves</b>	An account used to record funds that are not legally restricted for specified purposes, such as those committed to repay obligations. General Fund Reserves provide for self-insurance claims, unplanned revenue changes, working capital, worker's compensation, and unanticipated contingencies.

<b>General Manager (GM)</b>	The chief executive officer of the District hired by the Board of Directors.
<b>GDP</b>	Gallons Per Day.
<b>Infrastructure</b>	The components that ensure delivery of reliable, high quality water and wastewater services now and in the future. Typical components are reservoirs, pumping plants, digesters, and pipelines.
<b>Intermittent Position</b>	Intermittent positions are less than full-time, but one-half or more of a standard workday or a workweek or more than 1,040 aggregate hours per payroll year.
<b>Key Performance Indicators (KPI)</b>	Indicators with specific targets that measure how well the District is progressing in achieving its goals under the Strategic Plan.
<b>LT Position</b>	Limited Term (LT) positions are limited to 2 years in duration, unless extended by the General Manager for a maximum of 4 years from the position creation date. LT positions are intended to augment regular District staff to accomplish extra work or other operational programs and activities, including training, of a limited duration.
<b>MGD</b>	Million Gallons per Day. One MGD = 3.07 acre feet (the volume of water required to cover one acre of land to a depth of one foot).
<b>MWWTP</b>	Main Wastewater Treatment Plant. Also known as SD-1 (Special District No. 1).
<b>MUD Act</b>	Municipal Utility District Act, passed by the California Legislature in 1921. Codified in the Public Utilities Code of the State of California, Ch. 764, Stats. 1951 and amended thereafter.
<b>NPDES</b>	National Pollution Discharge Elimination System. The California Regional Water Quality Control Board issues the District a NPDES permit which regulates the District's discharge of treated wastewater.
<b>O &amp; M</b>	Operations and Maintenance Department.
<b>Operating Budget</b>	A financial plan for providing ongoing services and support; excludes the building of capital assets which are included in the capital budget.
<b>Organization</b>	A group of people organized into one unit or section working under a division or department. This is the level at which operating budgets are developed.
<b>Part-Time Position</b>	Part-time positions are restricted to working no more than 832 hours in a payroll year including paid leave.
<b>PAYGO</b>	Capital financing strategy to pay-as-you-go by cash funding capital

projects with current and accumulated revenues rather than borrowing funds that will be repaid with future revenues (pay-as-you-use).

<b>Program</b>	One or more activities combined in a related group for purposes of discussion and decision making. Programs are used in a specific plan to accomplish an objective. Capital programs represent a group of related Reference Projects combined to facilitate planning and decision making.
<b>Proposed Budget</b>	An estimation of how much should be spent in the coming fiscal year beginning July 1 <sup>st</sup> to meet the goals and objectives established by the Board of Directors.
<b>Proprietary Fund</b>	Proprietary funds are used to account for a government's ongoing organizations and activities that are similar to businesses found in the private sector. These funds are considered self-supporting in that the services rendered by them are generally financed through user charges or on a cost reimbursement basis. There are two types of proprietary funds: Enterprise and Internal Service.
<b>Rate Funded Expenditures</b>	Annual operations & maintenance expenses are funded from current revenues, along with a portion of the capital program.
<b>Rates</b>	Charges for services to District customers that cover the costs of such services while allowing the District to maintain reasonable available reserves.
<b>Reallocation</b>	Change in position classification and function, such as changing a Utility Laborer to a Water Distribution Plumber III. This action results in no net change in FTE.
<b>Reference Project</b>	A discrete set of tasks coordinated by a project manager. Appropriation requests and projected cash flow spending are authorized at the reference project level.
<b>Restricted Reserves</b>	Monies that, by action of the Board, State Law or Bond Covenants, are to be spent on specific programs or held for specified purposes.
<b>Revenue</b>	Monies the District receives in exchange for services or sales provided by the District. Revenues are used to pay expenditures.
<b>Sewer Interceptor</b>	Large diameter pipes that collect sanitary sewer waste from the cities' smaller sewers (e.g., trunks and mains) and convey to the EBMUD Main Wastewater Treatment Plant in Oakland known as Special District No. 1.
<b>SD-1</b>	Special District No. 1. Created in 1944, responsible for the treatment and disposal of all domestic, commercial and industrial wastewater from the cities of Alameda, Albany, Berkeley, Emeryville, Oakland, Piedmont, and the Stege Sanitary District (City of El Cerrito, Richmond annex and the Kensington area).

<b>Staffing Plan</b>	The classes and positions that have been authorized by the Board of Directors and have been determined necessary to carry out District functions.
<b>Strategic Plan</b>	A document that provides a blueprint for how the District will respond to future challenges and changing priorities. It outlines the specific goals, strategies and objectives that will be pursued to move the District to where it wants to be, and establishes a set of criteria to measure progress.
<b>System Capacity Charges (SCC)</b>	Charges paid at the time of connection for capital facilities that have been constructed to provide water service, such as source water reservoirs, transmission facilities, treatment facilities, and treated water storage facilities.
<b>TC Position</b>	Temporary Construction (TC) positions are of a limited and specified duration, typically associated with projects including planning, design, construction, and related support services functions.
<b>Ultimate Service Boundary</b>	The maximum area which the District can extend its delivery of water service without securing approval of the State Water Resources Control Board (SWRCB) and other governmental agencies.
<b>Wastewater Capacity Fee (WCF)</b>	Charges paid at the time of connection for capital facilities that have been constructed to provide wastewater treatment, such as interceptors, primary and secondary treatment facilities and wet weather treatment plants.
<b>WSMP</b>	Water Supply Management Program. A plan for ensuring a reliable high quality water supply for the future that includes obtaining supplemental supplies, water conservation, and water recycling.

# **BIENNIAL BUDGET**

## *Fiscal Year 2010-2011*

### *Volume 1*

### *Overview and Operating Budget*



*East Bay Municipal Utility District*  
*Oakland, California*







GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
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East Bay Municipal Utility District  
California

**For the Biennium Beginning**

July 1, 2007

*Charles S. Cox*  
President

*Jeffrey L. Esser*  
Executive Director



***FY2010 and FY2011***  
**Biennial Budget**

***Volume 1      Overview and Operating Budget***

***Volume 2      Capital Budget***

*Adopted by the Board of Directors  
on  
June 9, 2009*

***East Bay Municipal Utility District***



# East Bay Municipal Utility District

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**General Manager's  
Message**

July 1, 2009

Board of Directors  
East Bay Municipal Utility District  
Oakland, California

Subject: FY10 and FY11 Budget for the Water and Wastewater Systems

Honorable Members of the Board of Directors:

The adopted budget for Fiscal Year 2010 and 2011 supports the District's mission, values, and strategic plan. The goals contained in the strategic plan are to:

- Ensure a reliable high quality water supply for the future;
- Meet or surpass environmental and public health standards and protect public trust values;
- Maintain and improve the District's infrastructure in a cost effective manner to ensure sustainable delivery of reliable, high quality service now and in the future;
- Manage the District's finances to support District needs and maintain reasonable water and wastewater rates;
- Understand and be responsive to customer expectations for service; and
- Ensure ample talent to do the District's work today and tomorrow.

This budget funds the highest priority projects and tasks necessary to achieve our goals while keeping our costs and projected rate increases as low as possible. This was more difficult to achieve compared to previous years. The nationwide economic crisis, the California drought, and some EBMUD-specific program elements have created a perfect storm, driving down our expected revenue and escalating our anticipated costs for the next two-year budget cycle. Each budget cycle, we work to trim our initial plans and achieve a reasonable rate increase. This year, the first round of budget submittals showed we would require a 21% rate increase in FY10 followed by a 4% increase in FY11 -- far higher than any first-round estimate in staff's memory.

Continuing to operate as we normally do would have placed an unacceptable burden on our customers, many of whom are struggling in the current economic climate. We determined that extraordinary steps would have to be taken in order to reach our objective of a reasonable rate increase. Therefore, we began reducing costs in the current FY09 budget and asked all employees within the organization to think of ways to reduce or defer expenditures beyond the upcoming two years. We immediately employed the following budget management strategies:

- Identify new ways to bring in additional revenue;
- Defer lower priority capital projects;
- Defer discretionary expenditures, such as District-sponsored events, travel/trainings, etc.;
- Implement a hiring freeze throughout EBMUD, with limited exceptions for operational necessity.

Significant progress was made throughout the organization to implement these strategies. The Water System rate increase is 7.5% in FY10 and 7.5% in FY11 (compared to the 21% and 4% projected five months ago). The Wastewater System rate increase of 5% in FY10 and 5% in FY11 compare to 8% increases projected a few months ago. In addition, rate increases of 5% for the Water System are projected in years FY12, FY13, and FY14. Wastewater System rate increases of 5% are also projected in years FY12 and FY13, and 4% is projected in FY14. These rate increases projected in the years beyond FY11 will enable the District to begin to restore those expenditures that are being deferred over the next two years (e.g. vehicle replacements).

This FY10-11 budget contains two volumes. Volume I contains a budget overview, strategic plan priorities, financial forecast, department summaries, and staffing changes. Volume II provides the details of our Capital Improvement Program.

## **FY10-11 STRATEGIC PLAN PRIORITIES**

The budget priorities for FY10-11 emerged from a planning process that began with the adoption of the District's latest update of its Strategic Plan on May 27, 2008. The strategic plan outlines the goals, strategies, and objectives we will pursue to meet our future challenges and fulfill the District's mission. It also establishes key performance indicators to measure our progress toward meeting those goals. A series of business plans developed at the staff level describe the specific actions we will take to achieve the strategies and objectives contained within the Strategic Plan. These business plans were used to develop the budget priorities for FY10-11. A description of the business plan priorities are contained in Chapter 1.2, and are summarized below.

### **Long Term Water Supply**

The top priorities under this goal encompass projects and initiatives related to securing supplemental water supplies, water conservation, and water recycling. Consistent with the District's 1993 Water Supply Management Plan, we are seeking to obtain 55 million gallons per day of additional water supply by the year 2020 for use during dry years. The FY10-14 Five-Year Capital Improvement Program (CIP) anticipates completion of the Freeport Regional Water Project, including the Folsom South Canal Connection. When this project is complete in FY2010, it will allow an average of 49 MGD (165,000 Acre Feet over three dry years) of supplemental supply to be provided to the District. We will also work to preserve our current water entitlements by obtaining an extension to the District's Camanche permit from the State Water Resources Control Board. Preservation of these entitlements is imperative to ensure sufficient supplies in future years.

An updated Water Supply Management Plan, WSMP 2040, will be completed in 2009 to address District demands to year 2040 and identify a portfolio of water supply and demand management solutions to meet the need. This plan identifies future projects and phasing necessary to continue to provide a reliable water supply.

The CIP also includes \$55 million in cash flow funding for the new Richmond Advanced Recycled Expansion (RARE) Water Project that will initially provide 3.5 MGD of high-purity recycled water to the Chevron Refinery in Richmond for their boiler feedwater system. The project is scheduled for completion in FY11. A total of \$3 million per year has been included in the capital and operating budgets for the continuation of our water conservation programs.

### **Water Quality and Environmental Protection**

Consistent with the District's objectives to reduce pollutants at the source, recycle wastes, and maximize renewable energy, the FY10-14 CIP includes completion of the Power Generation Station expansion project at the Main Wastewater Treatment Plant, which will provide additional energy for use at the plant and for sale of renewable energy to PG&E. We are also investing \$6 million in additional FY10 appropriations for the successful Resource Recovery project, which was developed to accept a wide variety of solid and liquid wastes delivered by truck to the Main Wastewater Treatment Plant and increases renewable energy generation. In order to protect San Francisco Bay, we will continue to identify and develop approaches to minimize pollutants at the source before they are discharged into the wastewater collection and treatment system and will continue to partner with non-governmental organizations to increase public outreach and raise awareness about residential sources of water pollution. In FY10-11 the District will meet new regulatory compliance milestones set by the California Air Resources Board to control diesel particulate emissions.

### **Long Term Infrastructure Investment**

Infrastructure investment continues to be a high priority in our planning and budgeting efforts. The FY10-14 CIP includes estimated cash flow spending of \$1.0 billion on Water and Wastewater System capital projects. In order to better understand the level of infrastructure investment needed in the future, we also extended our capital planning horizon out to ten years so that in addition to our spending in FY10-14, we anticipate as much as \$1.8 billion for the Water System and \$213 million for the Wastewater System in investments during the FY15-19 timeframe. Given this level of planned work, our ability to make wise and cost-effective infrastructure investments will be essential to keeping rates low. We will continue our efforts to implement a coordinated master planning process to set funding and project scheduling priorities for our CIP. We will also continue to implement preventive, predictive and corrective maintenance programs that are based on Reliability Centered Maintenance principles in order to replace assets in a timely fashion to avoid costly emergency replacements.

## **Long Term Financial Stability**

Key to ensuring long term financial stability is our ability to make cost-effective investments in technology and take full advantage of continuous improvement and revenue enhancement opportunities. We will continue to implement a project to replace the District's 20-year-old

Customer Information System, which has reached the end of its useful life. The system is scheduled for completion in FY10. We also plan to examine opportunities to improve the design of our customer bills and maximize use of the District's website for customers to conduct business and obtain information about District services and employment opportunities. In the area of revenue enhancement, the Wastewater's Resource Recovery Program continues to bring in additional revenue from the treatment of trucked waste while utilizing excess capacity at the Main Wastewater Treatment Plant. Revenue from this program is expected to total \$7.0 million each in FY10 and FY11.

## **Customer Service**

Our ability to provide high quality service is dependent on our ability to understand and be responsive to our customers' expectations. In order to continue to improve customer service, we will look at expanded internet capabilities for enhanced payment options and gain customer feedback via on-line surveys. Also under the goal of Customer Service, the District will continue to maintain an active Emergency Preparedness Program to plan for and manage the District's functions during an emergency and allow for an efficient and effective recovery following an emergency. In FY10-11 the District will be purchasing portable pumps and equipment that will be used to deliver water after an earthquake or other disaster.

## **Workforce Planning and Development**

As the District continues to lose a large portion of its workforce to retirement, we will continue our efforts to identify strategies for filling these positions with well-qualified and diverse candidates. We will continue our commitment to successful programs to develop employees, including academies and special training programs. To address skills gaps in the labor market and add depth to our workforce, we will continue to pursue regional partnerships with community colleges, community-based job training organizations and other water and wastewater utilities in the region to prepare individuals for entry level jobs in vital skilled positions. Extended community outreach for candidates and increased classroom and on-the-job training will be explored as part of these regional partnerships.

## BUDGET AND RATES OVERVIEW

### Operating Budget

The following table shows the difference between the FY09 amended budget and the FY10 and FY11 operating budgets for the Water and Wastewater Systems.

COMPARISON OF FY09, FY10 AND FY11 OPERATING BUDGETS (\$000's)					
	FY09 Amended Budget	FY10 Adopted Budget	% Change FY10 v. FY09	FY11 Adopted Budget	% Change FY11 v. FY10
Water System					
- Operating Budget	208,324	208,500	0.1%	217,578	4.4%
- Debt Service	<u>136,257</u>	<u>141,840</u>	<u>4.1%</u>	<u>150,970</u>	<u>6.4%</u>
- Total	344,581	350,340	1.7%	368,548	5.2%
Wastewater System					
- Operating Budget	51,896	52,923	2.0%	55,224	4.3%
- Debt Service	<u>26,619</u>	<u>28,315</u>	<u>6.4%</u>	<u>30,592</u>	<u>8.0%</u>
- Total	78,515	81,238	3.5%	85,816	5.6%

Water System. The total FY10 operating budget, including debt service, is \$5.7 million or 1.7% higher than the FY09 amended budget. The majority of this increase is due to debt service which is increasing by \$5.5 million. Despite increases in labor and fringe benefit costs, chemicals and energy, the operating budget remains flat due to the implementation of several strategies to balance the budget given the current economic climate. These strategies include offsetting increasing operating costs by deferring and reducing discretionary expenses, implementing a hiring freeze with limited exceptions for operational necessity, realizing savings for operational efficiencies and decreasing contract related services. The total FY11 operating budget is \$18.2 million or 5.2% higher than the FY10 budget. Of this amount, \$9.1 million is due to increased debt service costs. The remaining \$9.1 million is due to labor and benefits rate escalation costs for health care and retirement plus anticipated increases in operating expenditures such as chemicals. The budget strategies described above for FY10 are continuing into FY11.

Wastewater System. The FY10 operating budget, including debt service, is \$2.7 million or 3.5% greater than the FY09 amended budget. Of this increase, \$1.7 million is attributable to debt service and the remaining \$1.0 million is primarily a result of increased labor and benefit rate costs. Similar to the Water System, several different strategies were employed to balance the budget given the current economic climate. These strategies include the deferral of discretionary expenses, implementing a hiring freeze with limited exceptions for operational necessity, savings for operational efficiencies and decreases in contract related services. The total FY11 operating budget is \$4.6 million or 5.6% higher than the FY10 budget. Increased debt service accounts for \$2.3 million of this increase. The remaining \$2.3 million is attributable to labor and benefit rate costs and anticipated increases in operating expenditures such as sludge disposal.

**Capital Improvement Program Budget**

The FY10-14 Capital Improvement Program (CIP) includes funding for improving our water and wastewater treatment processes; replacing, upgrading and maintaining our aging infrastructure; preparing for seismic events; protecting the natural resources with which we have been entrusted; and ensuring our future water supply. The five-year CIP includes \$907.4 million in planned appropriations for the Water System and \$164.8 million for the Wastewater System, for a total of \$1.1 billion. Projected cash flow spending over the next five years includes \$861.2 million for the Water System and \$162.7 million for the Wastewater System, for a total of \$1.0 billion.

Water System. Of the total \$907.4 million in Water System planned appropriations for the five years, \$175.7 million are for FY10 and \$173.0 million are for FY11. The following table shows the major Water System capital projects included in the CIP, along with their planned appropriations and projected cash flow spending.

**Water System Major Capital Projects  
 Five-Year CIP  
 (\$ millions)**

<b>Project</b>	<b>FY10-14 Appropriations</b>	<b>FY10-14 Cash Flow</b>
Pipeline Infrastructure Renewals	97.5	88.7
Raw Water Infrastructure Improvements	52.8	58.8
Service Lateral Replacements - Polybutylene	50.7	55.7
New Service Installations	47.7	44.2
Pumping Plant Rehabilitation	29.1	42.6
San Pablo Dam Seismic Modifications	0	37.4

In addition, for planning purposes we have identified an estimated \$1.8 billion in spending for the period FY15–19. These estimates will be refined as plans and studies are completed, priorities are redefined, and as new needs emerge.

Wastewater System. Of the total \$164.8 million in Wastewater System planned appropriations for the five years, \$55.8 million are for FY10 and \$16.1 million are for FY11. The following table shows the major Wastewater System capital projects included in the CIP, along with their planned appropriations and projected cash flow spending.

**Wastewater System Major Capital Projects  
 Five-Year CIP  
 (\$ millions)**

<b>Project</b>	<b>FY10-14 Appropriations</b>	<b>FY10-14 Cash Flow</b>
Digester Upgrades	12.0	43.4
PGS Expansion	0	26.5
Infiltration/Inflow Control Project	21.5	21.5

We have identified an estimated \$213 million in spending for the period FY15-19. These estimates will be refined in the next several years.

**Rates**

In order to ensure sufficient revenue to fund the budget, water rate increases of 7.5% are necessary for both FY10 and FY11. The estimated impact on the customer of these rate increases is shown on the following table. These rate increases also reflect the results of a cost allocation study performed in response to a legislative mandate requiring water utilities to conduct a rate study every ten years. The District's rate study, performed in 2009, seeks to ensure that our water rate structure collects the appropriate revenue from each customer class. The study found that revenue collected from single-family residential customers did not fully recover their allocated costs and that the revenue collected from the commercial, industrial and other customer classes were slightly greater than their allocated costs. As a result, the volume rates for the single-family customer class were increased by 2.25% and the volume rates for the commercial, industrial and other customer classes were reduced by 2.8%.

<b>AVERAGE WATER CUSTOMER CHARGE ON MONTHLY BILL</b>							
	<b>Consumption</b>		<b>FY09</b>	<b>FY10</b>	<b>% Change FY10 v. FY09</b>	<b>FY11</b>	<b>% Change FY11 v. FY10</b>
	<b>GPD</b>	<b>Units</b>					
Single-Family Residential (5/8")	270	11	\$33.07	\$35.95	8.7%	\$38.66	7.5%
Multi-Family (1")	1,230	50	\$139.14	\$150.12	7.9%	\$161.35	7.5%
Commercial (1")	1,230	50	\$146.99	\$154.66	5.2%	\$166.56	7.7%
Industrial (2")	12,300	500	\$1,340.66	\$1,405.93	4.9%	\$1,514.38	7.7%



The increase in the Wastewater Treatment Charge is 5.0% in FY10 and 5.0% in FY11. The estimated impact on the wastewater customer bill is shown on the following table. The wet weather facilities charge collected on the property tax bill will increase by 5% in both years, from \$61.00 to \$64.05 in FY10 and \$64.05 to \$67.25 in FY11 for single family residential customers.

<b>AVERAGE WASTEWATER CUSTOMER CHARGE* ON MONTHLY BILL</b>							
	<b>Consumption</b>		<b>FY09</b>	<b>FY10</b>	<b>% Change</b>		<b>% Change</b>
	<b>GPD</b>	<b>Units</b>			<b>FY10 v. FY09</b>	<b>FY11</b>	
Single-Family Residential	165	6.7	\$13.76	\$14.38	4.5%	\$15.10	5.0%
Multi-Family	1,230	50	\$69.09	\$73.23	6.0%	\$76.51	4.5%
Commercial**	1,230	50	\$73.57	\$77.71	5.6%	\$80.99	4.2%
Industrial**	12,300	500	\$4,350.57	\$4,615.71	6.1%	\$4,850.99	5.1%

\*Includes SF Bay Pollution Prevention Charge

\*\*Treatment rate depends on business classification for non residential customers

The rate increases go into effect on July 1<sup>st</sup>.

## **STAFFING**

The FY10 and FY11 staffing changes balance the need to provide appropriate levels of support for District operations with our commitment to keep rates low for our customers. We will continue to implement a hiring freeze (with exceptions for operational necessity) throughout the two-year period, although we will evaluate the status as part of the mid-cycle review of the District's revenues and expenses during the close of FY10.

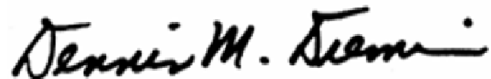
Two full-time equivalent (FTE) positions are being added in FY10 for the Wastewater System to meet the Stipulated Order for Preliminary Relief (SO) regarding the District's wet weather facilities. Six limited term positions are being deleted in FY10 by the Wastewater System as the work has been concluded. For the Water System, three limited term positions are being converted to part-time as operational needs have changed. Ten FTE Drought Management positions are being deleted due to the end of the drought emergency. All staffing changes result in a net reduction of 15.5 FTE's District-wide. Other minor flexible staffing changes and conversions will occur in FY10 for the Water System. There are no additional staffing changes in FY11.

## CONCLUSION

As we move into FY10 and FY11, we will continue our commitment to provide the highest quality water and wastewater services for our customers while keeping rates low. We will closely monitor our costs and will continue to look for opportunities to maximize efficiency and productivity in these difficult economic times. We are on track to complete the largest water supply project in the history of the District that will minimize the impact of future droughts. As we have done over the past several years, we will look for opportunities to restructure the workload as employees retire or leave the District. With the ongoing support of the Board and the staff of the District, I am confident that we will meet our many challenges well into the future.

In closing, I want to thank the many members of the staff who worked so diligently this year to reduce our expenditures in these challenging economic times. Their collective efforts have enabled us to develop a FY10 and FY11 Budget that is responsible and best meets the needs of the District and its ratepayers.

Respectfully submitted,

A handwritten signature in black ink that reads "Dennis M. Diemer". The signature is written in a cursive, flowing style.

DENNIS M. DIEMER  
General Manager

DMD:CN:cn



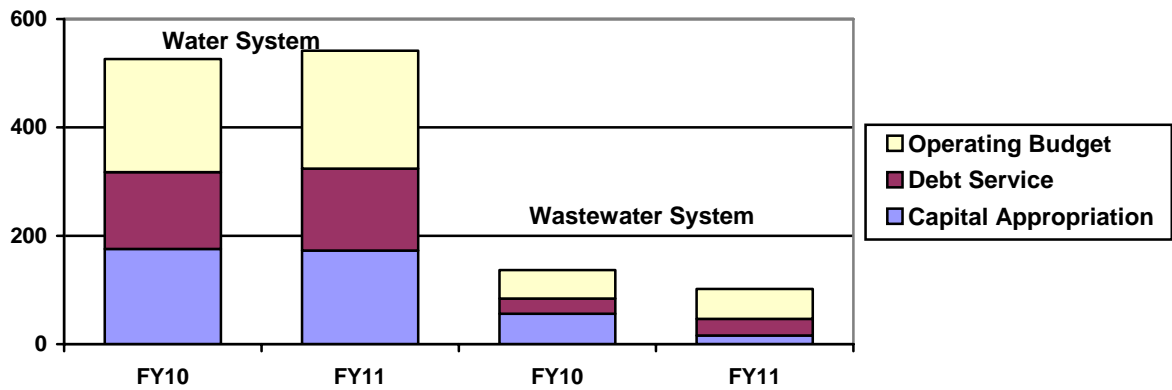
## Chapter 1.1 - OVERVIEW

The District's FY10-FY11 budget presents to the Board of Directors, District employees and the public the allocation of resources to programs and projects for the next two years. This chapter begins with an overview of District operating and capital budgets, followed by a discussion of revenues necessary to fulfill the District mission and goals. The chapter concludes with a summary of rates, fees and charges.

### BUDGET SUMMARY AND OVERVIEW

The FY10 District budget of \$663.1 million is comprised of \$261.4 million or 39.4% for operating expense, \$170.2 million or 25.7% for debt service expense and \$231.5 million or 34.9% for one year of Capital Improvement Program (CIP) appropriation. The FY11 District budget of \$643.6 million is comprised of \$272.8 million or 42.4% for operating expense, \$181.6 million or 28.2% for debt service expense and \$189.2 million or 29.4% for one year of Capital Improvement Program (CIP) appropriation. The graphs and tables below provide a comparison of FY10 and FY11 and illustrate the total appropriation for the operating and capital budgets including debt service.

**FY10-FY11 OPERATING AND CAPITAL BUDGETS**  
(\$Millions)

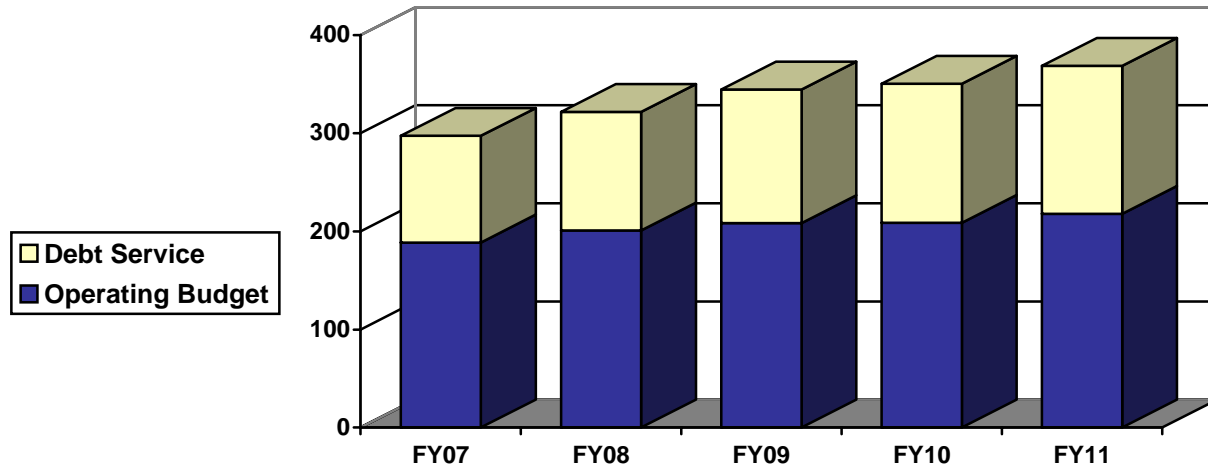


Adopted Budget (\$000's)	FY10			FY11		
	Water System	Wastewater System	Total District	Water System	Wastewater System	Total District
Operating Budget	208,500	52,923	261,423	217,578	55,224	272,802
Debt Service	<u>141,840</u>	<u>28,315</u>	<u>170,155</u>	<u>150,970</u>	<u>30,592</u>	<u>181,562</u>
Total Operating	350,340	81,238	431,578	368,548	85,816	454,364
Capital Appropriation (includes Admin & Gen)	<u>175,675</u>	<u>55,815</u>	<u>231,490</u>	<u>173,012</u>	<u>16,206</u>	<u>189,218</u>
Grand Total	526,015	137,053	663,068	541,560	102,022	643,582

## **WATER SYSTEM OPERATING BUDGET SUMMARY**

During the five-year period FY07 through FY11, the Water System total operating budget increases an average of 5.3% annually.

**FIVE-YEAR TREND SUMMARY  
OPERATING COSTS**  
(\$Millions)



Description	FY07 Amended Budget	FY08 Amended Budget	FY09 Amended Budget	FY10 Adopted Budget	FY10 vs FY09 %Change	FY11 Adopted Budget	FY11 vs FY10 %Change
Operating Budget	188.6	200.7	208.3	208.5	0.1%	217.6	4.4%
Debt Service	<u>108.6</u>	<u>121.0</u>	<u>136.3</u>	<u>141.8</u>	4.1%	<u>151.0</u>	6.4%
<b>Total Operating</b>	<b>297.2</b>	<b>321.7</b>	<b>344.6</b>	<b>350.3</b>	<b>1.7%</b>	<b>368.6</b>	<b>5.2%</b>

The FY10 total operating budget for the Water System is increasing by \$5.7 million or 1.7% over the FY09 amended budget. The primary driver of the increase is attributable to debt service (\$5.5 million). Operating budget major cost drivers are placing upward pressure on the FY10 budget (refer to Chapter 1.4). Therefore, the District is implementing several different strategies to balance the budget given the current economic climate. These strategies include offsetting increasing costs by deferring and reducing discretionary expenses, implementing a hiring freeze with limited exceptions for operational necessity, realizing savings for operational efficiencies and decreasing contract related services.

In FY11, the total operating budget will increase \$18.3 million or 5.2% over the FY10 budget. Of this increase, debt service represents a \$9.2 million increase over FY10. The remaining \$9.1 million is due to labor and benefits rate escalation costs for health care and retirement plus anticipated increases in operational expenditures such as chemicals. The budget strategies described above for FY10 are continuing into FY11.

### FY10-FY11 OPERATING BUDGET DEPARTMENT SUMMARY

The following table presents the total FY10-FY11 Water System operating budget by department. Detailed descriptions of department cost drivers are found in the Department Chapter 1.4.

DEPARTMENTS (\$000's)	FY09 Amended Budget	FY10 Adopted Budget	Budget % Change	FY11 Adopted Budget	Budget % Change
Operations & Maintenance Support	13,500	12,900	-4.4%	12,946	0.4%
Maintenance and Construction	68,014	69,034	1.5%	70,968	2.8%
Water Operations	44,993	47,900	6.5%	49,901	4.2%
Water Resources	4,534	3,537	-22.0%	3,629	2.6%
Natural Resources	13,089	12,800	-2.2%	13,152	2.8%
Engineering and Construction	13,582	13,800	1.6%	13,832	0.2%
Office of the General Manager	7,686	5,572	-27.5%	6,119	9.8%
Finance	16,249	18,089	11.3%	18,423	1.8%
Information Systems	21,402	21,410	0.0%	21,288	-0.6%
Customer and Community Services	15,410	14,789	-4.0%	15,346	3.8%
Administration	14,183	11,835	-16.6%	12,115	2.4%
Human Resources	8,026	7,579	-5.6%	7,819	3.2%
Office of the General Counsel	4,072	3,891	-4.4%	3,951	1.5%
Water Recycling Program	3,684	4,345	17.9%	5,245	20.7%
<b>Subtotal Staffed Departments</b>	<b>248,424</b>	<b>247,481</b>	<b>-0.4%</b>	<b>254,734</b>	<b>2.9%</b>
Contingency	0	4,840		10,069	
Hiring Freeze Savings	0	(3,221)		(6,625)	
Intradistrict	(10,100)	(10,600)	5.0%	(10,600)	0.0%
<b>Net Department Expense</b>	<b>238,324</b>	<b>238,500</b>	<b>0.1%</b>	<b>247,578</b>	<b>3.8%</b>
Less: Administration of Capital	(30,000)	(30,000)	0.0%	(30,000)	0.0%
<b>Subtotal Operating Budget</b>	<b>208,324</b>	<b>208,500</b>	<b>0.1%</b>	<b>217,578</b>	<b>4.4%</b>
Plus: Debt Service	136,257	141,840	4.1%	150,970	6.4%
<b>TOTAL OPERATING BUDGET</b>	<b>344,581</b>	<b>350,340</b>	<b>1.7%</b>	<b>368,548</b>	<b>5.2%</b>

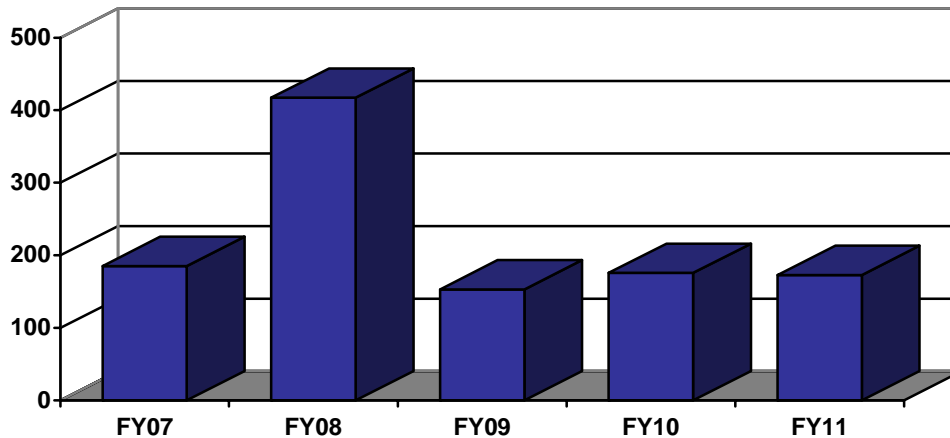
**WATER SYSTEM CAPITAL BUDGET SUMMARY**

Capital appropriations represent the amounts approved by the Board to be spent on projects contained in the Capital Improvement Program. Since these appropriations are often spent over multiple years, the amounts appropriated each year tend to vary depending upon project scope and timing, and the amount of unspent appropriation at the end of the previous fiscal year. For the five years, FY07 to FY11, the capital appropriation averages \$220.8 million per year including administrative and general expenses.

The Water System’s FY10 Capital Improvement Program appropriation totals \$175.7 million, which represents an increase of \$22.6 million from FY09. This increase is due primarily to the appropriation needs of Pipeline Infrastructure Renewals, Additional Supplemental Supply Projects, Treatment Plant Upgrades and the Summit Pressure Zone Improvements. This year’s appropriation request reflects the District’s continued commitment to capital improvements that focus on improving our ability to reliably comply with current and proposed drinking water and environmental regulations; maintain the infrastructure; provide service to new customers within the District’s ultimate service boundary; and ensure an adequate future water supply, including water recycling.

In FY11, the Capital Improvement Program appropriations are decreasing slightly by \$2.7 million to \$173.0 million. New FY11 appropriations are focused on maintaining the infrastructure, water supply and extensions and improvements to the system.

**FIVE-YEAR TREND SUMMARY  
CAPITAL APPROPRIATION**  
(\$Millions)

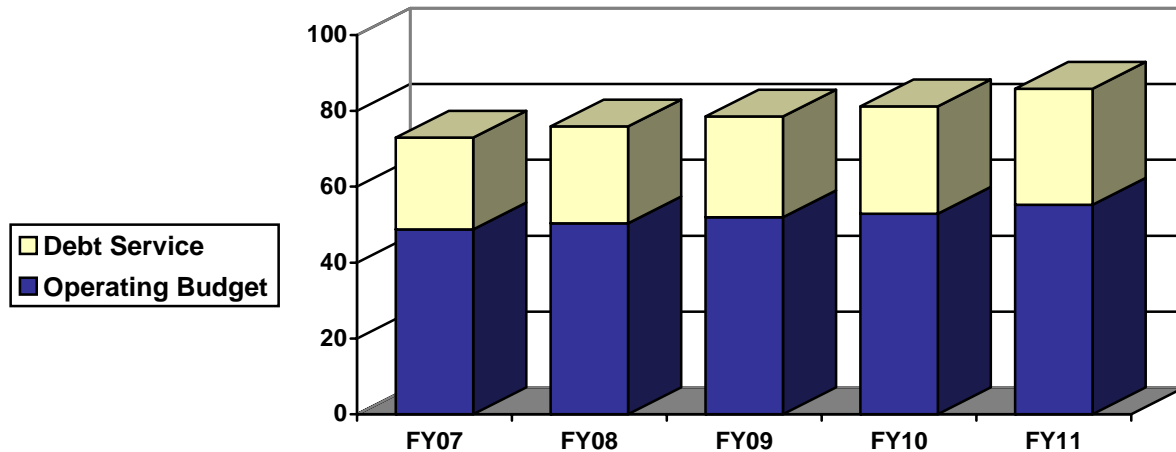


Description	FY07 Amended Budget	FY08 Amended Budget	FY09 Amended Budget	FY10 Adopted Budget	FY10 vs FY09 % Change	FY11 Adopted Budget	FY11 vs FY10 % Change
Capital Appropriation	185.1	417.2	153.1	175.7	15%	173.0	-2%

## **WASTEWATER SYSTEM OPERATING BUDGET SUMMARY**

During the five-year period FY07 through FY11, the Wastewater System total operating budget increases an average of 4.5% annually.

**FIVE-YEAR TREND SUMMARY  
OPERATING COSTS**  
(\$Millions)



Description	FY07 Amended Budget	FY08 Amended Budget	FY09 Amended Budget	FY10 Adopted Budget	FY10 vs FY09 % Change	FY11 Adopted Budget	FY11 vs FY10 % Change
<b>Operating</b>	<b>48.7</b>	<b>50.3</b>	<b>51.9</b>	<b>52.9</b>	<b>2.0%</b>	<b>55.2</b>	<b>4.3%</b>
<b>Debt Service</b>	<b><u>24.2</u></b>	<b><u>25.6</u></b>	<b><u>26.6</u></b>	<b><u>28.3</u></b>	<b>6.4%</b>	<b><u>30.6</u></b>	<b>8.0%</b>
<b>Total</b>	<b>72.9</b>	<b>75.9</b>	<b>78.5</b>	<b>81.2</b>	<b>3.5%</b>	<b>85.8</b>	<b>5.6%</b>

The FY10 total operating budget for the Wastewater System is increasing by \$2.7 million or 3.5% more than the FY09 amended budget. Of this increase, \$1.7 million is attributable to debt service and the remaining \$1.0 million is primarily a result of increased labor and benefit rate costs. Similar to the Water System, several different strategies were employed to balance the budget given the current economic climate. These strategies include the deferral of discretionary expenses, implementing a hiring freeze with limited exceptions for operational necessity, realizing savings for operational efficiencies and decreases of contract related services (refer to Chapter 1.4).

In FY11, the total operating budget will increase \$4.6 million or 5.6% over the FY10 budget. Debt service costs account for an increase of \$2.3 million. The remaining \$2.3 million is attributable to the labor and benefit rate costs (\$1.5 million) plus anticipated increases in operational expenditures (\$0.8 million). The budget strategies described above for FY10 are continuing into FY11 (refer to Chapter 1.4).



### FY10-FY11 OPERATING BUDGET DEPARTMENT SUMMARY

The following table presents the total FY10-FY11 Wastewater System operating budget. Department cost drivers are found in the Department Chapter 1.4.

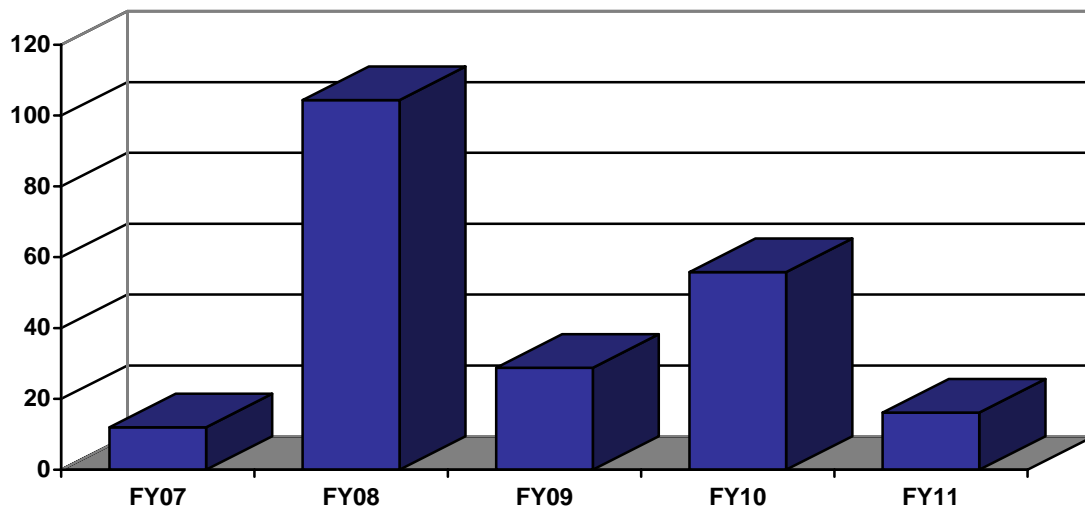
DEPARTMENTS (\$000's)	FY09 Amended Budget	FY10 Adopted Budget	Budget % Change	FY11 Adopted Budget	Budget % Change
Wastewater Department	54,096	55,510	2.6%	57,451	3.5%
Contingency	0	817		1,821	
Hiring Freeze Savings	0	(604)		(1,248)	
<b>Net Department Expense</b>	<b>54,096</b>	<b>55,723</b>	3.0%	<b>58,024</b>	4.1%
Less: Administration of Capital	(2,200)	(2,800)	27.3%	(2,800)	0.0%
<b>Subtotal Operating Budget</b>	<b>51,896</b>	<b>52,923</b>	2.0%	<b>55,224</b>	4.3%
Plus: Debt Service	26,619	28,315	6.4%	30,592	8.0%
<b>TOTAL OPERATING BUDGET</b>	<b>78,515</b>	<b>81,238</b>	3.5%	<b>85,816</b>	5.6%

## **WASTEWATER SYSTEM CAPITAL BUDGET SUMMARY**

The Wastewater System’s FY10 Capital Improvement Program appropriation totals \$55.8 million, an increase of \$27.0 million from FY09. This increase is due primarily to the increased appropriation needs of significant projects such as the Infiltration/Inflow Control Project and the Wood Street Sewer Interceptor Rehabilitation Project. This year’s appropriation budget represents capital improvements that maintain the infrastructure, and comply with existing regulatory and permit requirements. The FY11 Capital Improvement Program appropriation totals \$16.2 million, a decrease of \$39.6 million from FY10 as major projects are substantially appropriated in FY10.

Similar to the Water System, capital appropriations tend to vary from year to year depending on the scope and timing of major projects, and the amount of available appropriation from the previous fiscal year. For the five-year period FY07 to FY11, the capital appropriation averages \$42.2 million per year including administrative and general expenses.

**FIVE-YEAR TREND SUMMARY  
CAPITAL APPROPRIATION**  
(\$Millions)



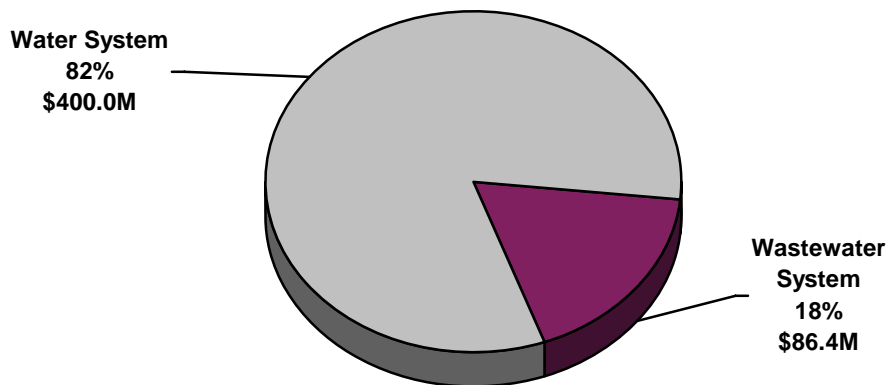
Description	FY07 Amended Budget	FY08 Amended Budget	FY09 Amended Budget	FY10 Adopted Budget	FY10 vs FY09 % Change	FY11 Adopted Budget	FY11 vs FY10 % Change
Capital Appropriation	6.1	104.4	28.8	55.8	94%	16.2	-70%

## REVENUE SUMMARY AND OVERVIEW

Sources of District revenue include the sale of water and hydroelectric power, System Capacity Charges (SCC), sewage treatment charges, wet weather facilities charges and property taxes. Operating revenues and other sources totaling \$486.4 million are needed during FY10. Of this amount, \$400.0 million is for the Water System and \$86.4 million is for the Wastewater System. Operating revenues and other sources totaling \$520.5 million are needed for FY11. Of this amount, \$430.1 million is for the Water System and \$90.4 million is for the Wastewater System.

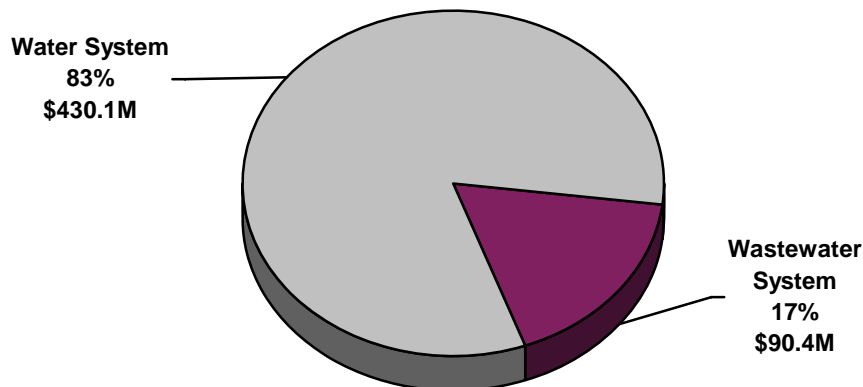
### FY10 SOURCES OF OPERATING REVENUE

Total District = \$ 486.4M



### FY11 SOURCES OF OPERATING REVENUE

Total District = \$ 520.5M



The table below displays the amounts to be collected from these sources, and also shows the amounts that will be provided from bond proceeds and commercial paper to fund a portion of the capital program for Water and Wastewater.

**TOTAL SOURCES OF FY10-FY11 FUNDS**  
(\$Millions)

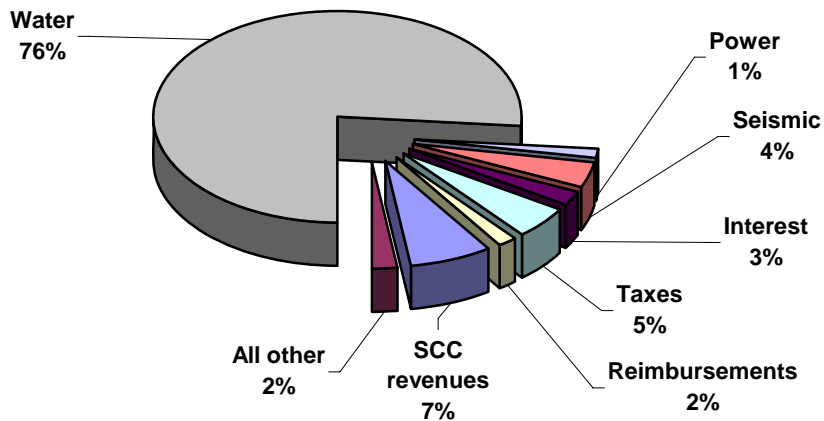
<b>WATER SYSTEM</b>			<b>WASTEWATER SYSTEM</b>		
<b>Operating Revenues:</b>	<b>FY10</b>	<b>FY11</b>	<b>Operating Revenues:</b>	<b>FY10</b>	<b>FY11</b>
			Treatment charges	48.8	51.3
			Resource Recovery	7.0	7.0
Water sales	305.1	328.5	Wet weather charges	15.2	15.9
Seismic surcharge	15.9	16.8	Property taxes	2.9	3.0
Property taxes	20.4	21.2	Ad Valorem Bond Levy	3.8	3.8
Power sales	5.7	5.7	Interest	1.3	1.2
Interest	8.9	11.2	Laboratory services	4.1	4.2
SCC revenues	28.1	30.1	Reimbursements	0.7	0.7
Reimbursements	6.5	6.5	Permits	1.8	1.8
All other	<u>9.4</u>	<u>10.1</u>	All other	<u>0.7</u>	<u>1.3</u>
<b>Total Operating Revenues</b>	<b>400.0</b>	<b>430.1</b>	<b>Total Operating Revenues</b>	<b>86.4</b>	<b>90.4</b>
<b>Capital Funding Sources:</b>			<b>Capital Funding Sources:</b>		
Capital Reserve/Rate Funded	46.3	55.7	Capital Reserve/Rate Funded	26.4	9.1
Debt Issuance	136.1	80.6	Debt Issuance	9.4	28.0
Developer funded/reimbursements	<u>13.8</u>	<u>11.5</u>	Developer funded/reimbursements	<u>0.0</u>	<u>0.0</u>
<b>Total Capital Funding Sources</b>	<b>196.2</b>	<b>147.8</b>	<b>Total Capital Funding Sources</b>	<b>35.8</b>	<b>37.1</b>
<b>Total Water Sources</b>	<b>596.2</b>	<b>577.9</b>	<b>Total Wastewater Sources</b>	<b>122.2</b>	<b>127.5</b>
<b>Total District Source of Funds:</b>	<b>FY10</b>	<b>\$718.4</b>			
<b>(Water + Wastewater)</b>	<b>FY11</b>	<b>\$705.4</b>			

**WATER SYSTEM REVENUE SUMMARY**

Water System revenues are projected to decrease overall by \$1.8 million, or .4% compared to FY09 for a total of \$400.0 million. Increases from FY09 to FY10 include \$7.3 million from the adopted 7.5% water rate increase and \$1.1 million from increased property tax revenue. These increases are offset by a \$10.2 million decrease in SCC revenues. The decrease in SCC revenues is due to the decline in home building activity in our service area. Interest earnings also decreased by \$1.0 million due to drawdown of cash from unused bond proceeds and lower interest rates. In FY11 Water System revenues are projected to increase by \$30.1 million, or 7.5% for a total of \$430.1 million. This increase is comprised primarily of \$23.4 million from a 7.5% water rate increase, and \$2.0 million in higher SCC revenues. The higher SCC revenues are attributable to a projected gradual increase in home building activity as well as increased reimbursement for debt service costs as a result of the completion of the Freeport Water Project.

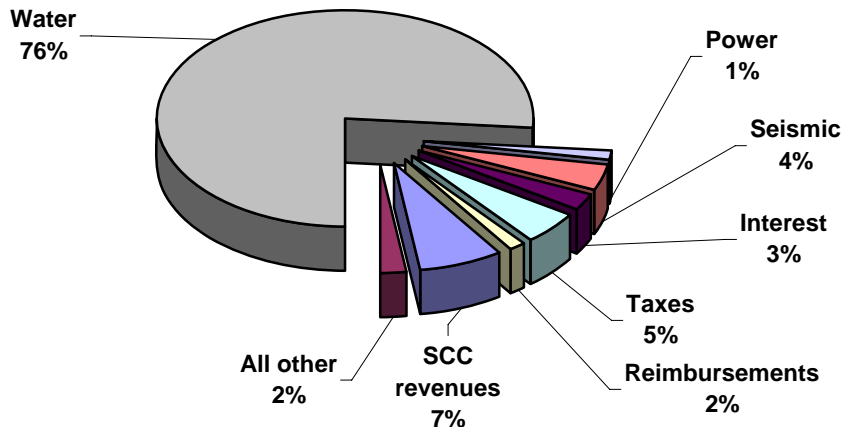
**FY10 OPERATING REVENUES**

Total = \$400M



**FY11 OPERATING REVENUES**

Total = \$430.1M



The following table shows projected revenues, expenditures, fund balances and reserve allocations for the Water System.

## WATER SYSTEM OPERATING FUND SUMMARY

### FY10-FY11 FUND BALANCE, DEBT SERVICE COVERAGE AND RESERVE ALLOCATION (\$Millions)

	FY10	FY11
<b>Fund balances at beginning of FY (projected):</b>	103.1	106.5
<b>Revenues:</b>		
Water Rates	305.1	328.5
Seismic	15.9	16.8
Property Taxes	20.4	21.2
Power	5.7	5.7
Interest	8.9	11.2
SCC Revenues	28.1	30.1
Reimbursements	6.5	6.5
All Other	<u>9.4</u>	<u>10.1</u>
<b>Total Revenues</b>	<b>400.0</b>	<b>430.1</b>
<b>Expenditures:</b>		
Operations	208.5	217.6
Debt service	<u>141.8</u>	<u>151.0</u>
<b>Total Expenditures</b>	<b>350.3</b>	<b>368.6</b>
Subtotal Revenues less Expenditures	49.7	61.5
Transfer to CIP	<u>(46.3)</u>	<u>(55.7)</u>
<b>Fund balances at end of FY (projected)</b>	<b>106.5</b>	<b>112.3</b>
<b>Allocated to Reserves:</b>		
Self Insurance Reserve	5.0	5.0
Workers' Compensation Reserve	3.2	3.2
Working Capital Reserve	52.1	54.5
Rate Stabilization Reserve	<u>46.2</u>	<u>49.6</u>
<b>Total Allocated Reserves *</b>	<b>106.5</b>	<b>112.3</b>
<b>Revenue Bond Debt Service Times Coverage Ratio</b>	<b>1.53</b>	<b>1.62</b>
<b>Overall Debt Service Times Coverage Ratio</b>	<b>1.41</b>	<b>1.47</b>

\*Meets targets contained in the District's financial policies

## Water Charges

Water charges consist of a monthly service charge, a volume charge for the amount of water used and an elevation charge for those customers located at higher elevations that require pumping and additional storage facilities. The monthly service, volume charges and elevation charge will increase by 7.5% in FY10 and an additional 7.5% in FY11.

### FY10 Revenue (\$Millions)

	<u>Amount</u>	<u>% of Total</u>
Monthly Service Charge	60.1	19.7
Volume Charge	227.9	74.7
Elevation Charge	<u>17.1</u>	<u>5.6</u>
Total	<b>305.1</b>	<b>100.0</b>

### FY11 Revenue (\$Millions)

	<u>Amount</u>	<u>% of Total</u>
Monthly Service Charge	64.7	19.7
Volume Charge	245.4	74.7
Elevation Charge	<u>18.4</u>	<u>5.6</u>
Total	<b>328.5</b>	<b>100.0</b>

FY10 water charges are projected to increase by \$7.3 million, for a total of \$305.1 million, or 2.5% over the FY09 budgeted revenue of \$297.8 million. Customer response to our request for voluntary conservation and less consumption than FY09 budget resulted in 5% decrease in water charges. FY11 water charges are projected to increase by \$23.4 million, for a total of \$328.5 million, or 7.7% over the FY10 projected water rates revenues.

## Seismic

The Board of Directors adopted a modification of the water rates to finance the Seismic Improvement Program (SIP) in March 1996. Revenues from the seismic surcharge have been adjusted to reflect receipt of less revenue than budgeted in FY09 and are projected to be \$15.9 million for FY10, which is a 3.2% increase from FY09, and \$16.8 million for FY11, which is a 5.7% increase from FY10.

## Property Taxes

The District receives a portion of the 1% county levy on properties within District boundaries. The percentage of the county levy received varies, depending on the number of other agencies participating in the distribution. The District share averages about 1.25% of the total monies collected. For FY10, property tax revenue of \$20.4 million is based upon FY08 actual property tax receipts, discounted by 10% to reflect the recent downturn in Bay Area property values. Revenues for FY11 are \$21.2 million or a 4% increase over FY10.

## Power

The District operates power generation facilities at the Pardee and Camanche Dams. For FY10 and FY11, projected as years of normal precipitation, the District expects to earn approximately \$5.7 million for each year, primarily from sales of power to other agencies.

## Interest on Investments

The District places funds not needed for current expenditures in short-term investments. These short-term investments are made in accordance with the District's investment policy and may include commercial paper, time deposits with major banks, bankers' acceptances and short-term U.S. Government securities. Interest earned on these funds in FY10 is projected to be \$8.9 million, a \$1.0 million decrease from FY09 due to lower cash balances and lower interest rates. For FY11 interest earnings are projected to be \$10.8 million, a \$2.1 million increase from FY10 due to higher cash balances and higher interest rates.

## SCC Revenues

System Capacity Charges (SCC) are levied against customers requesting new water service. The charges are designed to recover costs of facilities necessary to serve new customers. These costs are for distribution facilities, treatment facilities, facilities that serve the system as a whole such as Pardee and Camanche Reservoirs, terminal storage reservoirs and administrative facilities, and a portion of the cost of a supplemental water supply. The purpose of the SCC is to assure that existing customers do not bear the cost of customer growth. Funds collected from the SCC are held either in dedicated reserves or accounted for as a capital contribution from developers. Funds held in the dedicated reserve account are used to pay the debt service for the bonds issued to build future facilities.

SCC revenues for FY10 are projected at \$28.1 million which is a \$10.2 million decrease from the amount budgeted for FY09 of \$38.3 million. This decrease is based on FY09 projected SCC revenues which are expected to be approximately 35% less than budget due to the decline in home building activity within the District's service area. SCC revenues for FY11 are projected to be slightly higher by \$2.0 million or less than 1.0% to reflect a gradual return in home building activity as well as higher debt service reimbursements from the completion of future water supply projects.

## Reimbursements

The Water System receives reimbursement for services provided to other agencies. The Wastewater System reimburses the Water System for administrative costs, space rental in the Administration building and for providing billing and collection services. The Water System also receives reimbursements from several cities for providing billing and collection services for the cities' sewer charges. Total reimbursements for FY10 and FY11 are projected at \$6.5 million for each year, which is the same as FY09.

## Other

Included in this category are receipts from property sales, rental of District properties, fees for use of District recreational lands and facilities, insurance and property damage reimbursements, sales of surplus District equipment and vehicles, sales of District publications and other miscellaneous revenues. Other revenues for FY10 and FY11 are projected at \$9.4 million for FY10 and \$10.1 million for FY11, which is consistent with prior years.



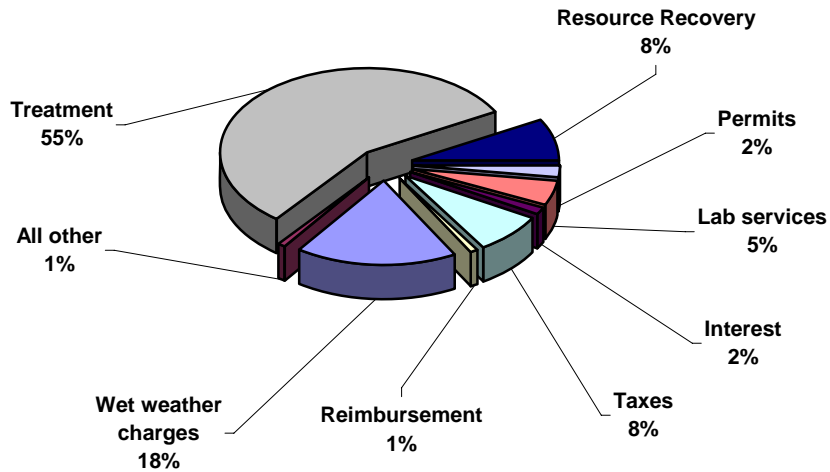
### **WASTEWATER SYSTEM REVENUE SUMMARY**

FY10 Wastewater System revenues are projected to increase by \$4.6 million or 5.6% from the amended FY09 budget, for a total of \$86.4 million. The following revenue sources are projected to increase: treatment charges by \$1.7 million or 3.6%; resource recovery revenue by \$2.0 million or 40.1%; and wet weather revenue by \$800,000 or 5.6%. While the amended FY09 revenue budget amount is \$81.8 million, the projected FY09 revenue is \$82.4 million due to greater than budgeted revenues from resource recovery.

FY11 Wastewater System revenues are projected to increase by \$4.0 million or 4.6%, for a total of \$90.4 million. The following revenue sources are projected to increase: treatment charges by \$2.5 million or 5.1%, lab services by \$100,000 or 2.4%, other revenue by \$600,000 or 86% and Wet Weather revenues by \$700,000 or 4.6%.

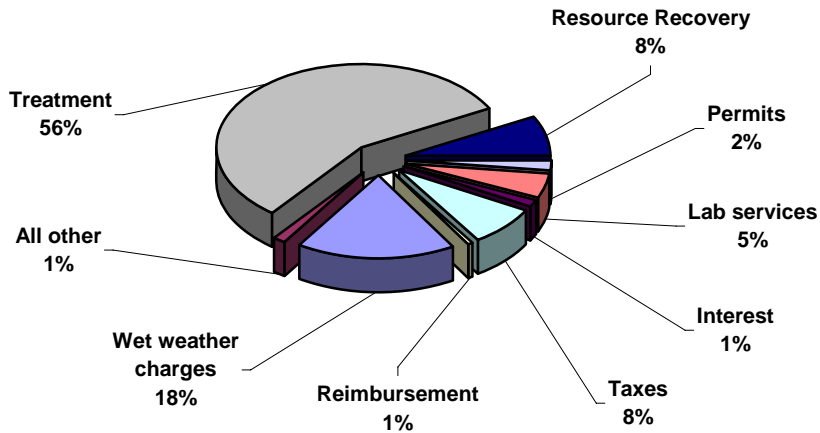
#### **FY10 OPERATING REVENUES**

**Total = \$86.4M**



#### **FY11 OPERATING REVENUES**

**Total = \$90.4M**



The following table shows projected revenues, expenditures, fund balances and reserve allocations for the Wastewater System.

### WASTEWATER SYSTEM OPERATING FUND SUMMARY

#### FY10-FY11 FUND BALANCE, DEBT SERVICE COVERAGE AND RESERVE ALLOCATION (\$Millions)

	FY10	FY11
<b>Fund balances at beginning of FY (projected):</b>		
Allocated to Reserves	17.7	18.1
Reserve for Capital Projects	<u>21.1</u>	<u>2.4</u>
	<b>38.8</b>	<b>20.5</b>
<b>Revenues:</b>		
Treatment charges	48.8	51.3
Resource Recovery	7.0	7.0
Wet Weather facilities fee	15.2	15.9
Property Taxes	2.9	3.0
Ad Valorem Bond Levy	3.9	4.0
Interest	1.3	1.2
Lab reimbursements	4.1	4.2
Operating reimbursements	0.7	0.7
Permit fees	1.8	1.8
Other	<u>0.7</u>	<u>1.3</u>
<b>Total Revenues</b>	<b>86.4</b>	<b>90.4</b>
<b>Expenditures:</b>		
Operations	52.9	55.2
Debt service	<u>28.3</u>	<u>30.6</u>
<b>Total Expenditures</b>	<b>81.2</b>	<b>85.8</b>
Subtotal Revenues less Expenditures	5.2	4.6
Transfer to CIP	<u>(23.5)</u>	<u>(6.3)</u>
<b>Fund balances at end of FY (projected)</b>	<b>20.5</b>	<b>18.8</b>
<b>Allocated to Reserves:</b>		
Self insurance reserve	1.7	1.7
Workers' compensation reserve	0.6	0.6
Working capital reserve	13.2	13.8
Rate stabilization reserve	<u>2.6</u>	<u>2.7</u>
<b>Total Allocated Reserves *</b>	<b>18.1</b>	<b>18.8</b>
Reserve for Capital Projects	<u>2.4</u>	<u>0.0</u>
<b>Total</b>	<b>20.5</b>	<b>18.8</b>
<b>Revenue Bond Debt Service Times Coverage Ratio</b>	<b>1.69</b>	<b>1.60</b>
<b>Overall Debt Service Times Coverage Ratio</b>	<b>1.18</b>	<b>1.15</b>

\*Meets targets contained in the District's financial policies

## **Wastewater Treatment Charge**

The District provides treatment for discharges collected through city-owned sewers and transported through District interceptors and pump stations to the main treatment plant. Treatment charges for all customers are based on the volume and strength of the wastewater discharged plus a service charge. For FY10, the projected Wastewater Treatment charge collected on the water service bill will total \$48.8 million, an increase of \$1.7 million or 3.6% over the FY09 budgeted treatment revenue collected on the water service bill of \$47.1 million. The Resource Recovery Program is projected to generate \$7.0 million in FY10, an increase of \$2.0 million or 40.0%. For FY11, the projected Wastewater Treatment charge will be \$51.3 million collected on the water service bill, an increase of \$2.5 million or 5.1% over the FY10 projected treatment revenue.

## **Wet Weather Facilities Charge**

In June 1987, the Board of Directors established the Wet Weather Facilities Charge to pay for the costs associated with the District wet weather facilities. This charge is assessed on a per parcel basis and, while it is not a tax, the charge is collected on the county property tax bill. The charge is projected to generate approximately \$15.2 million in revenue in FY10. In FY11, the projected revenue from the Wet Weather Facilities Charge is \$15.9 million.

## **Property Taxes**

The District receives a portion of the 1% county levy on properties within District boundaries. The percentage of the county levy received varies depending on the number of other agencies participating in the distribution. The District's Wastewater share has averaged about 0.5% of the total monies collected. For FY10, property tax revenue of \$2.9 million is based upon FY08 actual property tax receipts, discounted by 10% to reflect the recent downturn in Bay Area property values. Revenues for FY11 are \$3.0 million or \$100,000 over FY10.

## **Ad Valorem General Obligation Bond Levy**

The Wastewater System has the authority, approved by a two-thirds majority of the voters, to impose an ad valorem property tax to recover the debt service on its outstanding General Obligation bonds. The amount is approximately \$3.9 million per year for FY10 and \$4.0 million per year for FY11. As of August 2008, the net assessed valuation for property within the Wastewater System is \$60.2 billion. For FY10, the ad valorem property tax rate will be approximately \$.0064 per \$100 of assessed value, or \$6.40 for every \$100,000 of assessed valuation.

## **Interest on Investments**

The District places funds not needed for current expenditures in short-term investments, following the same procedures as the Water System. Interest earnings in FY10 are projected to be \$1.3 million, a decrease of \$400,000 over last year, due to lower interest rates and lower cash balances. Interest earnings in FY11 are projected to be \$1.2 million, a decrease of \$100,000 over FY10 primarily due to lower cash balances.

**Lab Services**

The Wastewater Laboratory provides testing and analysis services for the Water and Wastewater Systems and several outside agencies. Costs for lab services provided to the Water System are billed to the Water System. The Water and Wastewater Systems share in the joint costs of operating the lab. Revenues from the Water System are projected to be \$3.7 million for FY10 and \$3.8 million for FY11. Revenues from outside agencies are projected to be \$350,000 annually for FY10 and FY11.

## RATES, FEES AND CHARGES

### OVERVIEW

An increase in Water and Wastewater rates and charges is necessary to provide funding for the FY10-FY11 operating and capital budgets. Rates and charges for water and wastewater services are used to cover operating costs, debt service requirements, and revenue funded construction projects.

### WATER SYSTEM

#### Water Revenue - Overview

Based on the budget for FY10 and the projected level of consumption, revenue requirements for the Water System will be .4% lower in FY10 than those authorized for FY09. Revenue requirements for FY11 will be 7.5% higher than those authorized for FY10. This higher revenue level will enable the District to fund current operating requirements while maintaining a capital improvement program that will meet long-term customer needs and regulatory requirements.

#### Water Rates

To meet the revenue requirements for FY10 and FY11, a water rate increase of 7.5% has been adopted. The 7.5% rate increase will apply to the meter charge, volume charge, elevation charge and the seismic improvement surcharge.

The seismic improvement surcharge based on the size of a standard meter and the flat seismic surcharge for each single family residential and multi family residential account, will increase 7.5% for both FY10 and FY11.

Details of rates and charges are included in the General Manager's Biennial Report on Rates and Charges filed with the Board of Directors on May 12, 2009.

For FY10, the average single family residential customer that uses 270 gallons per day will see an increase in the monthly water bill of \$2.88, or 8.7% as illustrated in the chart on the following page.

For FY11, the average single family residential customer that uses 270 gallons per day will see an increase in the monthly water bill of \$2.71 or 7.5%. Monthly water bills for other customers are also shown on the following chart.

**WATER SYSTEM  
CUSTOMER IMPACT - PROJECTED MONTHLY BILLS  
Based on Adopted Rate Increase**

Customer Class and Meter Size	Single Family Res - 5/8"	Multi-Family 1"	Comm'l 1"	Indus 2"
	Average District-Wide			
Gals per day	270	1230	1230	12,300
Billing units	11	50	50	500
% of Customers with usage at or below	64%	84%	82%	99%
Current \$	33.07	139.14	146.99	1,340.66
FY10 Adopted \$	35.95	150.12	154.66	1,405.93
Change \$	2.88	10.98	7.67	65.27
% Change	8.7%	7.9%	5.2%	4.9%
FY11 Adopted \$	38.66	161.35	166.56	1,514.38
Change \$	2.71	11.23	11.90	108.45
% Change	7.5%	7.5%	7.7%	7.7%

Below is a history of monthly water bills for average single family residential customers who use 11 Ccf (hundred cubic feet) per month:

**TEN-YEAR RESIDENTIAL WATER CHARGE HISTORY  
MONTHLY BILLS FOR 11 Ccf PER MONTH**

Fiscal Year	Monthly Bill (\$)	(\$) Change	% Increase
2002	25.23	0.91	3.7
2003	26.09	0.86	3.4
2004	27.00	0.91	3.5
2005	27.99	0.99	3.7
2006	28.99	1.00	3.6
2007	30.00	1.01	3.5
2008	31.47	1.47	4.9
2009	33.07	1.60	5.1
2010	35.95	2.88	8.7
2011	38.66	2.71	7.5

The following chart is a comparison of FY09 and FY10-FY11 rates for various elements.

### WATER SYSTEM RATE COMPARISON

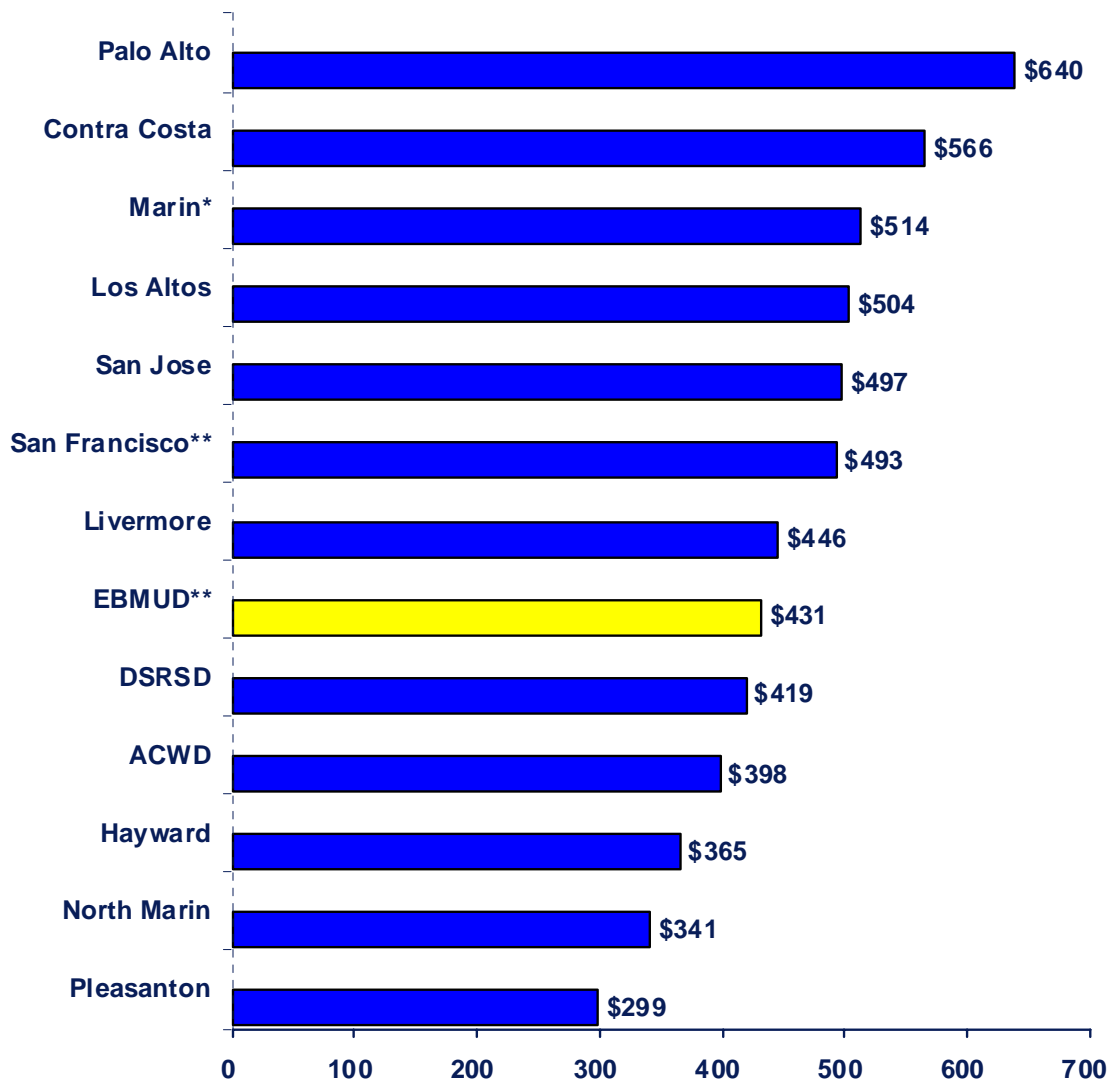
Rate element	FY09 Current (\$/Mo)	FY10 Adopted (\$/Mo)	% Change	FY11 Adopted (\$/Mo)	% Change
<b>Service charges</b>					
5/8" and 3/4" meters	9.53	10.13	6.3%	10.89	7.5%
2" meter	33.60	38.34	14.1%	41.22	7.5%
4" meter	92.11	106.86	16.0%	114.87	7.5%
18" meter	1,089.56	1,275.67	17.1%	1,371.35	7.5%
Seismic surcharge - 5/8", 3/4" meter	0.88	0.95	7.5%	1.02	7.5%
Seismic surcharge - 2" meter	7.06	7.59	7.5%	8.16	7.5%
Seismic surcharge - 4" meter	22.05	23.70	7.5%	25.48	7.5%
Seismic surcharge - 18" meter	277.83	298.67	7.5%	321.07	7.5%
<b>Seismic flat charges</b>					
Seismic surcharge - single family res	0.88	0.95	7.5%	1.02	7.5%
Seismic surcharge - multi-family	4.15	4.46	7.5%	4.79	7.5%
<b>Volume charges</b>					
Single family res - Tier 1	1.82	2.00	9.9%	2.15	7.5%
- Tier 2	2.26	2.48	9.7%	2.67	7.7%
- Tier 3	2.77	3.04	9.7%	3.27	7.6%
Multi family residential	2.36	2.54	7.6%	2.73	7.5%
Commercial/Industrial	2.51	2.62	4.4%	2.82	7.6%
Seismic surcharge - coml/indus	0.09	0.10	7.5%	0.11	7.5%
<b>Elevation charges</b>					
Elevation band 2 / Ccf	0.35	0.38	7.5%	0.41	7.5%
Elevation band 3 / Ccf	0.72	0.77	7.5%	0.83	7.5%

Volume charge breakpoints: Tier 1: up to 7 Ccf (172 gpd)  
Tier 2: up to 16 Ccf (393 gpd)  
Tier 3: over 16 Ccf (+393 gpd)

The following charts show comparisons of annual water bills for 11 Ccf and 20 Ccf for the District and other local water agencies for their proposed FY10 rates, as of May 2009. The District is below the medium of these other agencies.

### COMPARATIVE RESIDENTIAL WATER CHARGES

#### Annual Charges for 11 CCF/Mo – May 2009



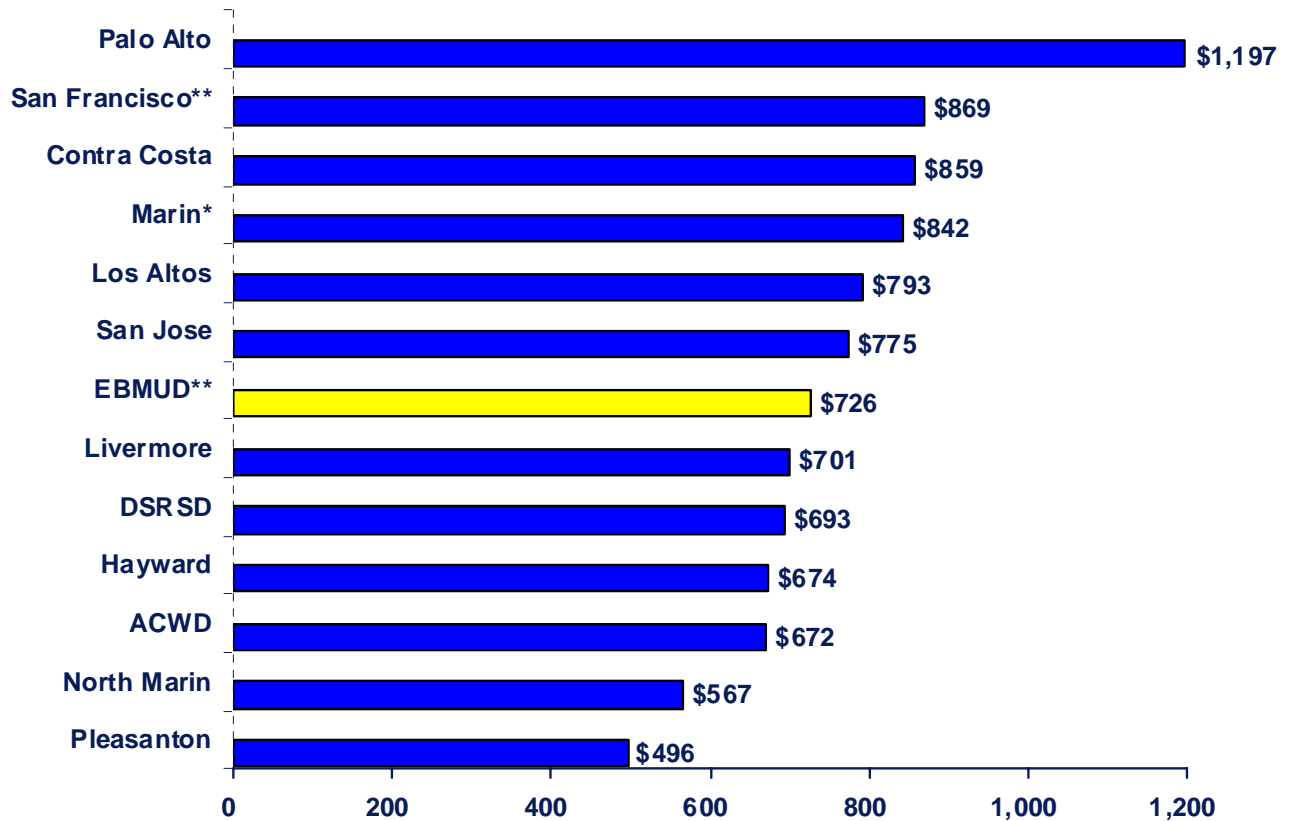
\* Based on proposed rates effective 5/1/09

\*\* Based on FY10 proposed rates.



### COMPARATIVE RESIDENTIAL WATER CHARGES

Annual Charges for 20 CCF/Mo – May 2009



\* Based on proposed rates effective 5/1/09

\*\* Based on FY10 proposed rates.

## System Capacity Charges

The System Capacity Charge (SCC) was first established in 1983 as a means of assessing new water customers an appropriate share of the costs of water distribution capital improvements within the SCC regions of the District. In 1986, the SCC was expanded to include a component for the portion of new facilities needed to ensure future water supplies to serve new connections. All applicants for water service are required to pay the SCC when the installation of a new service or upsizing of an existing connection is needed. The SCC is applied on a regional basis, and the SCC charge is updated annually to reflect increased cost estimates for facilities yet to be constructed and financing or construction cost escalation for facilities that have already been built.

In FY08, the Board adopted the recommendations of the SCC Study performed by Bartle Wells Associates to be phased in over a five year period. The SCC charge was also reformulated to include three components:

1. System-wide Buy-In Component for existing facilities that serve the system as a whole;
2. Regional Buy-in Component for existing facilities that serve one of the three SCC Regions (notably treatment plant and distribution facilities); and
3. Future Water Supply (FWS) Component consisting of the costs of future water supply projects that are allocated to new connections.

For FY10, the third year of the five-year phase-in of the SCC study will be implemented. The updated third year phase-in charges were also adjusted to include an additional year of the Engineering News Record Construction Cost index escalation. The Future Water Supply Component was also updated for FY10.

### Proposed SCC Rate Increases

The proposed SCC rates are shown in Table 1 for a 5/8" meter for single-family residential and non-residential customers. These meter connections account for the majority of all future water service connections. Larger meters pay proportionately more based on the estimated usage of the new connections. Non-residential connections pay more in some regions due to higher consumption.

Table 1 – Current and Proposed SCC for 5/8-inch Meters						
CURRENT FY09			PROPOSED FY10		For Single Family Residential	
Region	Single Family	Non-Residential	Single Family	Non-Residential	Increase	% Increase
1	\$8,110	\$11,310	\$10,190	\$14,480	\$2,080	25.6
2	11,770	18,330	15,540	23,710	3,770	32.0
3	24,990	26,660	27,120	29,270	2,130	8.5
3C	53,660	See Note 1	61,580	See Note 1	7,920	14.8
3D	60,390	60,390	68,940	68,940	8,550	14.2

Note 1: Calculated based on a 1993 Agreement with HCV & Associates Ltd., Wiedemann Ranch, Inc., and Sue Christensen.

The SCC charges listed in Table 1 are based on unit charges for each proposed region for:

1. System-wide Buy-in Component of \$1,157 per 100 gpd of consumption for each region;
2. Regional Buy-in Component that vary by region and are listed in Table 2; and
3. FWS Component of \$1,498 per 100 gpd of consumption for each region.

The SCC charge for each region is derived from the sum of the unit charges of each of the SCC components and then multiplied by the estimated average daily water consumption in that SCC region. Because of the large numbers of SCCs processed each year, the District has determined average daily water consumption values for non-residential service meters up through 2 inches and single-family service connections up through 1.5 inches within each SCC region, and established SCC charges based on those averages. For larger meter sizes, the SCC charge is determined on a case by case basis calculated from the unit charges of the three SCC components and multiplied by the estimated required demand of the requested service installation.

Applicants for non-potable water service have their SCC charge calculated based solely on the FWS Component, as the required capacity is provided through a separate non-potable water system.

### Regional Buy-in Component

The amount of the Regional Buy-in Component for each of the regions is shown in Table 2 and the unit charges are the same for residential and non-residential applicants.

<b>Table 2 – Unit Charges for the Regional Facilities Buy-In Component and Average Water Consumption by SCC Region (\$/100 gpd)</b>			
Region	Unit Charges Regional Buy-In	Water Consumption (5/8 inch)	
		Single Family (gpd)	Non-Residential (gpd)
1	\$984	280	400
2	1,662	360	535
3	2,021	580	625
3C	2,053	775	775
3D	1,601	775	775

\*Regions 3C and 3D retain the Post-2000 Component charge of \$3,586 and \$4,227 per 100 gpd for specific facilities built within these regions to serve growth.

### FWS Component

The unit cost of the FWS Component for FY10 will be increased from \$1,456 per 100 gpd to \$1,498 per 100 gpd, an increase of 2.88%, to reflect the costs of financing for those projects that have already been completed as well as cost changes for the Recycled Water Project and the Freeport and Folsom South Canal projects. The revised costs for these projects are shown in Table 3.

<b>TABLE 3</b>				
FY09				
Future Water Supply Projects (\$Millions)				
MAJOR PROJECTS	Total Costs	Costs Allocated to SCC		
		Allocated Costs*	Capitalized Interest**	TOTAL
WSMP Study and EIR Costs	\$77.4	\$51.4	\$39.6	\$91.0
Existing Reclamation	49.1	34.4	29.0	63.4
Freeport Regional Water Project	482.0	337.4	16.3	353.7
Additional Water Supply Projects	55.0	38.5	5.1	43.6
Bayside Groundwater Project	62.2	43.5	0.3	43.8
SFHayward Intertie Project	11.6	8.1	0.3	8.4
Recycled Water Projects	248.0	173.6	8.0	181.6
Central Valley Project Capital Facilities	28.8	20.2	-	20.2
<b>TOTAL</b>	<b>\$1,014.1</b>	<b>\$707.1</b>	<b>\$98.6</b>	<b>\$805.7***</b>

\*70% of the Total Costs (except EIR Costs at 56%) are allocated to the Future Water Supply Component of the SCC.

\*\*Capitalized Interest represents the financing costs of expenditures for water supply projects that were undertaken since 1986.

\*\*\*The comparable amount used in the FY08 SCC calculation was \$773.5 million.

The revised unit cost of \$1,498 per 100 gpd reflects the latest cost estimates of the District's portion of the Freeport Regional Water Project and the Folsom South Canal connection which are expected to come in below earlier cost estimates. The Freeport Regional Water Project is a joint project with Sacramento County to divert and treat up to 185 million gallons of water per day from the Sacramento River near the town of Freeport and a pipeline connection to the District's Mokelumne Aqueduct. The total cost of the joint project is estimated at \$922 million. The District's portion of the costs will be \$482 million, which will include treatment, pipelines, and pumping facilities that will provide the District with up to 100 million gallons of water per day. Additional projects funded by the FWS Component are the Bayside Groundwater Project, East Contra Costa/Bixler groundwater project and the San Joaquin County Conjunctive Use Alternative, an intertie with the San Francisco Hetch Hetchy system, and a jointly funded desalination facility. Also included are the costs of capital facilities of the Central Valley Project that are allocated to the District in the amount of \$28.8 million.

In addition to the above water supply projects, the FWS Component of the SCC reflects the District's portion of the DERWA projects and costs of the District's recycled water projects which are shared by both the SCC and the ratepayers such as the Richmond Recycled Water Project and the East Bayshore Recycled Water Project. These recycled water projects are expected to deliver a total of 8 mgd of recycled water by the year 2020.

### SCC Credit

In FY08, the District amended the SCC credit to grandfather in only the average of the past ten years of water consumption as a credit to the SCC instead of the then current practice of calculating the credit based on actual meter size at the location. Where applicants require an SCC credit to offset capacity for new connections at locations where there is already an existing meter (for instance, a warehouse that is converted into mixed use commercial/residential development), the credit is determined based on the usage of the existing meter over the past ten years. The District added language to the FY08 amendment to ensure that the applicant gets at a minimum an SCC

credit equal to that of a 5/8 inch meter even if there was no water consumption at the location for the last ten years.

## WASTEWATER SYSTEM

### Wastewater Charges

In order to generate the required revenue, the FY10 increase for Wastewater Treatment charges is 5.0%. The average single family residential customer that discharges 6.7 Ccf per month will see a monthly wastewater treatment charge increase of 4.6%, from \$13.56 to \$14.18. For FY10, the SF Bay Residential Pollution Program Fee collected on the water service bill will remain \$0.20 per month. When combined with the treatment charge increase, the total residential wastewater bill increase will be 4.5% from \$13.76 to \$14.38 per month. Details of the rates and charges are included in the General Manager's Report on Rates and Charges filed with the Board of Directors on May 12, 2009. The charge for commercial and industrial customers will increase by 5.0% based on increases to the unit rates; actual treatment rates are rounded to the whole cent. For FY10, the Wet Weather Facilities charge collected on the property tax bill will increase 5.0% from \$61.00 per year to \$64.04 for residential customers and from \$91.50 to \$96.06 for non-residential customers.

The FY11 increase for Wastewater Treatment charges is 5.0%. The average single family residential customer that discharges 6.7 Ccf per month will see a monthly wastewater treatment charge increase of 5.1% from \$14.18 to \$14.90. For FY11, the SF Bay Residential Pollution Program Fee collected on the water service bill will remain \$0.20 per month. When combined with the treatment charge increase, the total residential wastewater bill increase will be 5.0% from \$14.38 to \$15.10. The charge for commercial and industrial customers will increase by 5.0% based on increases to the unit rates; actual treatment rates are rounded to the whole cent. For FY11, the Wet Weather Facilities charge collected on the property tax bill will increase 5.0% from \$64.04 per year to \$67.24 for residential customers and from \$96.06 to \$100.86 for non-residential customers.

### WASTEWATER SYSTEM RESIDENTIAL CUSTOMER IMPACT PROJECTED MONTHLY BILLS Charges Collected on the Water Service Bill Based on Adopted Rates

	Single Family Wastewater Treatment Charge (incl. SF Bay Residential Pollution Prevention Fee)
Current \$	13.76
FY10 Adopted \$	14.38
Change \$	0.62
% Change	4.5%
FY11 Adopted \$	15.10
Change \$	0.72
% Change	5.0%

Below is a history of annual total wastewater charges (treatment, wet weather, and pollution prevention) for an average single family residential customer:

**WASTEWATER SYSTEM  
TEN-YEAR RESIDENTIAL SEWER CHARGE HISTORY  
TOTAL ANNUAL CHARGES**

(incl. treatment charge, Wet Weather Facilities Charge\*, and SF Bay Residential Pollution Prevention Fee)

Fiscal Year	Total Annual Wastewater Charge (\$)	Increase
2002	183.00	2.0%
2003	187.92	2.7%
2004	193.08	2.8%
2005	198.48	2.8%
2006	204.72	3.1%
2007	210.48	2.8%
2008	217.68	3.4%
2009	226.12	3.9%
2010	236.60	4.6%
2011	248.44	5.0%

\*Wet Weather Facilities Charge collected on the property tax bill

The following chart contains the treatment charge rate elements, calculated on 1/10 of a cent charge. Actual treatment rates for commercial and industrial customers are rounded to the whole cent.

**WASTEWATER SYSTEM  
TREATMENT RATE COMPARISON**

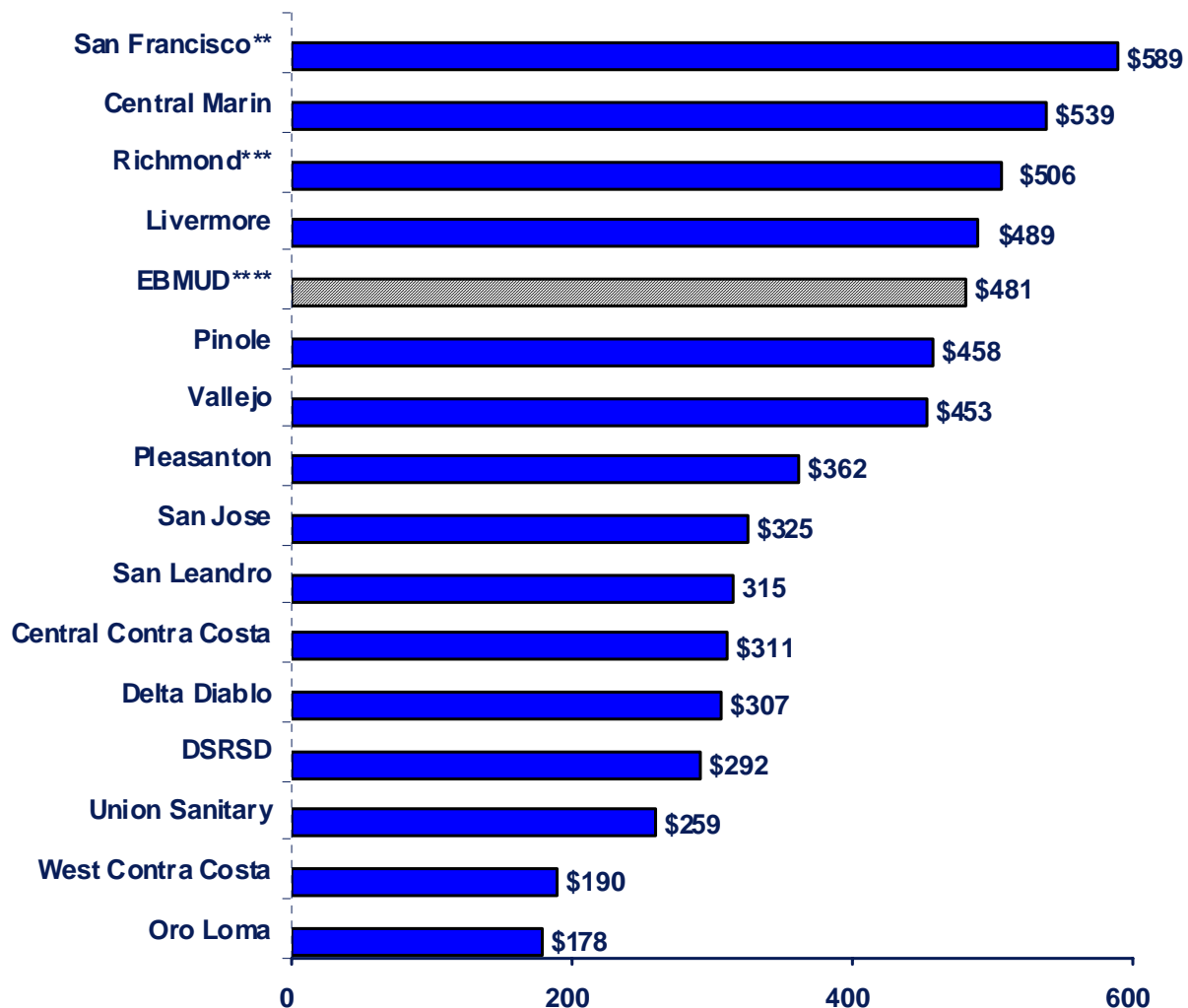
Rate element	FY09 Current (\$)	FY10 Adopted (\$)	% Change	FY11 Adopted (\$)	% Change
Charge per Ccf of flow	0.528	0.561	6.3%	0.590	5.2%
Charge per pound of discharge – CODf	0.190	0.203	6.8%	0.214	5.4%
Charge per pound of total suspended solids	0.303	0.317	4.6%	0.331	4.4%
Monthly service charge	5.09	5.23	2.8%	5.51	5.4%
Strength charge per residential dwelling unit*	4.93	5.19	5.3%	5.44	4.8%

\*Based on standard strength of 7.94 lbs of CODf and 11.29 lbs of suspended solids per month

The chart below is a comparison of the average annual residential wastewater bill for EBMUD and other local communities. EBMUD provides only a part of the total wastewater service in its operating area; local agencies provide sewage service from the customer to the EBMUD interceptor. The total annual charge varies by community according to the level of local agency charges. EBMUD's FY10 Wastewater charges for the average single family residential customers is \$237 annually, which includes treatment charges on the water bill of \$173 and the Wet Weather Facilities Charge on the property tax bill of \$64.

### COMPARATIVE RESIDENTIAL WASTEWATER CHARGES

#### Annual Charges\* – May 2009



\* Includes Collection and Treatment

\*\* Proposed FY10 Rates

\*\*\* Adopted FY10 Rates

\*\*\*\* EBMUD rate based on adopted FY10 Treatment rate, SF Bay Residential Pollution Prevention Fee, and Wet Weather Fee, \$237/year plus average community collection charge of \$244/year.

## 1.2 Strategic Plan Priorities



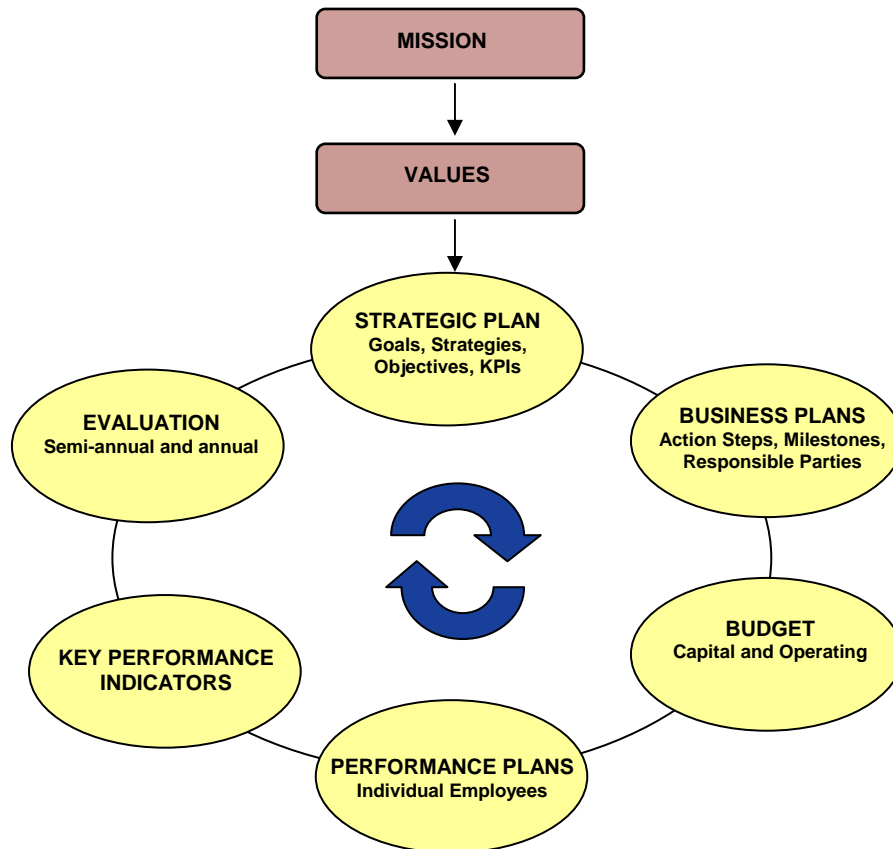
# Chapter 1.2 - STRATEGIC PLAN PRIORITIES

## INTRODUCTION

The District’s Strategic Plan, adopted by the Board on May 27, 2008, outlines the goals, strategies, and objectives we will pursue in order to fulfill the District’s mission. A series of business plans developed at the staff level describe the specific actions we plan to take in order to achieve the strategies and objectives contained within the Strategic Plan. Business Plans for FY10-FY11 have been developed and are currently being used to set budget priorities for the next two years.

While the Strategic Plan provides the District with overall direction on how to achieve future success, it does not describe all of the specific actions needed to be taken to achieve our objectives. These actions are spelled out in a series of business plans that outline the tasks, milestones, due dates, and responsible parties involved in carrying out the actions. Business plans were prepared for the FY10-FY11 timeframe to coincide with the budget process. Developing business plans tied to the strategic plan and using the business plans to guide our budget priorities ensures resources are focused on the highest priorities of the District. The approved FY10-FY11 budget reflects the priorities outlined in these business plans, as described in this chapter.

### Strategic Business Planning Process



## MISSION

To manage the natural resources with which the District is entrusted; to provide reliable, high quality water and wastewater services at fair and reasonable rates for the people of the East Bay; and to preserve and protect the environment for future generations.

## VALUES

- Exercise responsible financial management
- Ensure fair rates and charges
- Provide responsive customer service
- Promote ethical behavior in the conduct of District business
- Ensure fair and open process involving the public
- Provide a healthy work environment
- Promote diversity and equality in personnel matters and contracting
- Promote environmental responsibility and sustainability

## STRATEGIC PLAN GOALS

- **Long Term Water Supply** – Ensure a reliable high quality water supply for the future.
- **Water Quality and Environmental Protection** – Meet or surpass environmental and public health standards and protect public trust values.
- **Long Term Infrastructure Investment** – Maintain and improve the District’s infrastructure in a cost effective manner to ensure sustainable delivery of reliable, high quality service now and in the future.
- **Long Term Financial Stability** – Manage the District’s finances to support District needs and maintain reasonable water and wastewater rates.
- **Customer Service** – Understand and be responsive to customer expectations for service.
- **Workforce Planning and Development** – Ensure ample talent to do the District’s work today and tomorrow.

## FY10-FY11 BUSINESS PLANS

- Supplemental Supply
- Water Conservation
- Recycled Water
- Climate Change
- Watershed Management
- O&M to Meet Drinking Water Regulations
- O&M to Meet Air, Land, Water Discharge Requirements
- Reduce, Recycle, Reuse, Reclaim
- San Francisco Bay Protection

- Coordinated Master Plans
- Effective Maintenance
- Technology
- Emergency Preparedness
- Finance
- Customer Service
- Workforce Planning

**KEY PERFORMANCE INDICATORS**

Indicator	FY08 Performance	FY09 Target
<b>Long Term Water Supply</b>		
<ul style="list-style-type: none"> <li>• 50 MGD of Supplemental Dry Year Supply by 2010 and embark on new WSMP 2040 goals</li>   <li>• 26 MGD Savings from Conservation Programs and Natural Replacement by 2010 and embark on new WSMP 2040 goals</li>   <li>• 9 MGD of Recycled Water Capacity by 2010 and embark on new WSMP 2040 goals</li> </ul>	<ul style="list-style-type: none"> <li>• All major construction contracts bid and notices to proceed issued for FRWP</li> <li>• WSMP 2040 Master Plan/PEIR under development</li> <li>• Phase I of Bayside Groundwater under construction</li> <li>• Planning and permit complete for Regional Desalination Pilot Project</li>   <li>• 0.9 MGD from conservation</li> <li>• 0.7 MGD from natural replacement</li>   <li>• DERWA Phase 2 construction in progress</li> <li>• Completed recycled water evaluation as part of WSMP 2040</li> <li>• Continued planning of expansion SRV Recycled Water</li> <li>• Completed RARE design, construction initiated</li> </ul>	<ul style="list-style-type: none"> <li>• All Freeport Project Construction contracts 90% complete</li> <li>• WSMP 2040 Master Plan/EIR completed</li> <li>• Bayside Groundwater Construction 75% complete</li> <li>• Pilot desalination plant operation test completed</li>   <li>• 1.0 MGD from conservation</li> <li>• 0.7 MGD from natural replacement</li>   <li>• Start recycled water deliveries from East Bayshore</li> <li>• Proceed with federally funded DERWA Phase 2 construction by US Army Corp of Engineers</li> <li>• RARE construction 50% complete</li> </ul>

Indicator	FY08 Performance	FY09 Target
<ul style="list-style-type: none"> <li>Develop and implement a Climate Change Monitoring and Response Plan to inform the District’s future water supply planning and support “no regrets” infrastructure investment decisions.</li> </ul>	N/A	<ul style="list-style-type: none"> <li>Complete District annual GHG emissions inventory</li> <li>Assess climate change science impacts to the District</li> <li>Determine District climate change vulnerabilities</li> </ul>
<b>Water Quality and Environmental Protection</b>		
<ul style="list-style-type: none"> <li>Mokelumne River Fall-Run Chinook Salmon Escapement (Long Term Average)</li> </ul>	9,134	4,220
<ul style="list-style-type: none"> <li>% of JSA Mokelumne River Minimum Flow Releases Met</li> </ul>	100%	100%
<ul style="list-style-type: none"> <li>% of Water Quality Goals Met</li> </ul>	95%	100%
<ul style="list-style-type: none"> <li>% of Water Quality Regulations Met</li> </ul>	100%	100%
<ul style="list-style-type: none"> <li>Number of NPDES and Waste Discharge Permit Notices of Violation Received</li> </ul>	1	0
<ul style="list-style-type: none"> <li>10% Net Reduction in GHG Emissions from District Facilities over 2000 Baseline by 2015 (calendar years)</li> </ul>	N/A	52,600 metric tons
<ul style="list-style-type: none"> <li>25% Reduction in Annual MWWTP Influent Mercury Concentration by 2010</li> </ul>	0.172 micrograms/liter	0.253 micrograms/liter

Indicator	FY08 Performance	FY09 Target
<b>Long Term Infrastructure Investment</b>		
<ul style="list-style-type: none"> <li>• Number of Master Plans Completed or Updated</li> <li>• Unplanned Water Service Interruptions per 1,000 Active Accounts               <ul style="list-style-type: none"> <li>○ &lt;4 hours</li> <li>○ 4-12 hours</li> <li>○ &gt;12 hours</li> </ul> </li> <li>• Number of Water System Pipeline Breaks per 100 miles of pipe</li> <li>• Availability of Wastewater Assets</li> <li>• Capital Project Cost Growth</li> <li>• Capital Project Schedule Growth</li> </ul>	<p style="text-align: center;">4</p> <p style="text-align: center;">8.0</p> <p style="text-align: center;">4.1</p> <p style="text-align: center;">1.2</p> <p style="text-align: center;">19.6</p> <p style="text-align: center;">.98</p> <p style="text-align: center;">-.10</p> <p style="text-align: center;">-.08</p>	<p style="text-align: center;">10</p> <p style="text-align: center;">≤ 10</p> <p style="text-align: center;">≤ 5</p> <p style="text-align: center;">≤ 2</p> <p style="text-align: center;">≤ 20</p> <p style="text-align: center;">.90 – 1.0</p> <p style="text-align: center;">≤ 0</p> <p style="text-align: center;">≤ 0</p>
<b>Long Term Financial Stability</b>		
<ul style="list-style-type: none"> <li>• Rates that are at or Below the Median of other Bay Area Agencies</li> <li>• % of Capital Program Funded from Debt</li> <li>• Debt Coverage</li> <li>• Actual Reserves as % of Target</li> <li>• % of Planned Audits Completed</li> <li>• % of Audit Findings Resolved within 90 Days</li> <li>• Operating Expenditures as a Percentage of Operating Budget</li> <li>• Capital Expenditures as a Percentage of Capital Budgeted Cash Flow</li> </ul>	<p style="text-align: center;">8<sup>th</sup> Water, 7<sup>th</sup> Wastewater</p> <p style="text-align: center;">65% Water, 67% Wastewater</p> <p style="text-align: center;">1.86 Water, 1.77 Wastewater</p> <p style="text-align: center;">100% Water, 100% Wastewater</p> <p style="text-align: center;">45%</p> <p style="text-align: center;">100%</p> <p style="text-align: center;">96% Water, 98% Wastewater</p> <p style="text-align: center;">77% Water, 79% Wastewater</p>	<p style="text-align: center;">6<sup>th</sup> from top or lower 8<sup>th</sup> from top or lower</p> <p style="text-align: center;">≤ 65%</p> <p style="text-align: center;">≥ 1.6 times coverage</p> <p style="text-align: center;">≥ 100%</p> <p style="text-align: center;">100%</p> <p style="text-align: center;">100%</p> <p style="text-align: center;">90% to 100%</p> <p style="text-align: center;">90% to 100%</p>

Indicator	FY08 Performance	FY09 Target
<b>Customer Service</b>		
<ul style="list-style-type: none"> <li>• % of Customers Rating “Overall Job” as “Good” or “Excellent”</li> </ul>	69%	70%
<ul style="list-style-type: none"> <li>• % of Customers Rating the District’s Telephone Response as “Good” or “Excellent”</li> </ul>	92%	90%
<ul style="list-style-type: none"> <li>• % of Customers Rating the District’s Field Response as “Good” or “Excellent”</li> </ul>	93%	90%
<ul style="list-style-type: none"> <li>• % of Time Automated Systems Available for Customer Access</li> </ul>	99.8%	99.9%
<ul style="list-style-type: none"> <li>• Update the District’s EOP and conduct exercises annually</li> </ul>	N/A	100%
<ul style="list-style-type: none"> <li>• Update 100% of District Business Continuity Plans and test one time per year</li> </ul>	N/A	100%
<b>Workforce Planning and Development</b>		
<ul style="list-style-type: none"> <li>• % of Exams Resulting in Hiring Lists within 60 Days</li> </ul>	61%	75%
<ul style="list-style-type: none"> <li>• % of District Hires with AA Opportunities</li> </ul>	52%	--
<ul style="list-style-type: none"> <li>• % of Competing Leadership Program Graduates Who Place on Applicable Promotional Lists</li> </ul>	80%	75%
<ul style="list-style-type: none"> <li>• Annual Average Training Hours per Employee</li> </ul>	33.2	30
<ul style="list-style-type: none"> <li>• % of Performance Plans Completed on Time</li> </ul>	92%	100%
<ul style="list-style-type: none"> <li>• % of Performance Appraisals Completed on Time</li> </ul>	93%	100%
<ul style="list-style-type: none"> <li>• Employee Injury &amp; Illness Incidence Rate</li> </ul>	2.7	≤ 3.5
<ul style="list-style-type: none"> <li>• Turnover Rate</li> </ul>	10.5%	--

## SUPPLEMENTAL SUPPLY

*Goal: Long Term Water Supply*

**Strategy 1:** Preserve current entitlements and obtain additional supplemental supplies sufficient to meet customer demands with minimal rationing.

FY10-FY11 Top Priorities
1. Conduct Licensing Analysis on Pardee No. 3 and Camanche Hydropower Water Rights.*
2. Finalize and fund Freeport Regional Water Project Operations Plan.*
3. Obtain 10 MGD (11 TAF) of supplemental supply in each of 3 dry years through water transfers.
4. Finalize policy/procedure establishing criteria under which conservation, recycling, and supplemental supply projects will proceed.
5. Secure funding for EBMUD interim levee improvements and manifolding for aqueducts in near-term State bond initiatives.
6. Develop management plan for Bayside Groundwater Project – Phase 2.
7. Complete feasibility study for Sacramento groundwater banking.
8. Obtain funding for tunnel study as part of long-term Bay Delta fix.

\*Mandatory or committed (i.e., non-discretionary)

Consistent with the District's 1993 Water Supply Management Plan (WSMP), the District is seeking to obtain 55 million gallons per day (MGD) of additional water supply by the year 2020 for use during dry years. To this end, the District is proceeding with the Freeport Regional Water Project including the Folsom South Canal Connection (FSCC). When the Freeport Project is completed in FY 2010, it will allow an average of 49 MGD (165,000 Acre Feet over three dry years) of supplemental supply to be provided to the District under the terms of the Central Valley Project Long Term Renewal Contract. In concert with these efforts, the District will work to preserve its current water entitlements by obtaining an extension to the District's Camanche permit from the State Water Resources Control Board. Preservation of current entitlements is imperative to ensure sufficient supplies for District customers in future years.

An updated Water Supply Management Plan, WSMP 2040, will be completed in 2009. The WSMP 2040 will be prepared in conjunction with a programmatic Environmental Impact Report. In June 2008, the Board identified a preferred water supply portfolio for the year 2040, including goals for rationing, conservation, water recycling, and supplemental supply. The portfolio, which will be considered for approval in mid-2009, includes a supplemental supply component that specifies a need of up to 37 MGD of dry year supplies and identifies near term projects such as water transfers, Sacramento groundwater banking, and Bayside Phase 2 to meet rationing objectives in the next 10-15 years.

In addition, ongoing activities related to this business plan include an evaluation of opportunities to utilize Freeport Project unassigned capacity, continue the Regional Desalination partnership studies, and foster conjunctive use project interests with Mokelumne stakeholders.

## WATER CONSERVATION

*Goal: Long Term Water Supply*

**Strategy 2:** Through conservation, reduce potable water demand by 26 MGD by 2010 and embark on new goals to be established in WSMP 2040.

FY10-FY11 Top Priorities
1. Update Water Conservation Master Plan to match WSMP 2040.*
2. Develop implementation plan for District-wide Automated Metering System.
3. Continue to pursue cost-effective supply-side leak detection and repair projects.

\*Mandatory or committed (i.e., non-discretionary)

The 1993 Water Supply Management Program (WSMP) included the preparation of a Water Conservation Master Plan (WCMP) to guide District efforts in meeting long-range water conservation goals. The four basic WCMP conservation program strategies identified and implemented include: incentives (audits, rebates, and devices); education (presentations, publications, community events, displays and demonstration projects); regulation (new-service plan reviews and water waste prohibition); and support (conservation-related committee work, research, database development and program evaluation). These WCMP programs are intended to achieve 35 MGD of additional water conservation savings by the year 2020 (18 MGD from direct, cost-effective District-sponsored education and incentive programs, and 17 MGD from District-promoted natural savings).

The update of the WCMP will support the WSMP 2040 process through an analysis of conservation achieved to date; remaining cost-effective conservation potential in meeting and exceeding the current and future savings goal out to the year 2040; and an evaluation of demand hardening to refine water allocation and rationing models to minimize potential customer impacts. Further evaluation is being conducted on cost-effective supply-side (distribution system) conservation including leak detection, tracking of non-revenue water, and pressure management to help conserve water. The District will continue to require water-efficient designs as part of its water service regulations and will monitor and suggest improvements to water conservation plumbing codes and landscaping ordinances.

Based on an evaluation of the District's Automated Metering System (AMS) pilot projects, we will begin work on an implementation plan for a District-wide deployment of a two-way, fixed network system. The plan will include an assessment of the technology needs, funding strategies, anticipated customer and District benefits and other implementation issues associated with an advanced real-time metering of water consumption. AMS-related conservation services include customer-defined water budgets and leak notification services and are included in the WSMP 2040 planned programs.

Additional ongoing activities include continued partnerships with community organizations to promote water conservation through educational and environmental exhibits, and implementation of the suite of WaterSmart-branded programs, including certification and recognition of customers and new incentives and marketing campaigns. Ongoing new technology research and water savings database development will support the measurement and tracking of conservation performance.



## RECYCLED WATER

*Goal: Long Term Water Supply*

**Strategy 3:** Through recycling, reduce potable water demand by 9 MGD by 2010 and embark on new goals to be established in WSMP 2040.

FY10-FY11 Top Priorities
1. Complete DERWA Phase 2 Backbone System.*
2. Complete East Bayshore Recycled Water Project Phase 1A.**
3. Complete RARE Water Project Phase 1.*
4. Continue Recycled Water Truck Program if drought continues.
5. Begin San Ramon Valley Recycled Water Project Phase 2.
6. Continue to pursue funding assistance.
7. Evaluate opportunities for recycled water projects identified in WSMP 2040.

\*Mandatory or committed (i.e., non-discretionary)

\*\*Completion contingent upon funding availability

The District continues to make progress in expanding the recycled water program. The current recycling goal as determined in WSMP 1993, is 14 MGD by the year 2020. Of that 14 MGD target, recycled water availability of 6 MGD has been achieved to date through a variety of projects such as the North Richmond Recycled Water Project (Chevron cooling towers), golf courses and other irrigation applications. In addition, in 2008 the District recycled approximately 2.9 MGD of treated wastewater for in-plant uses at its Main Wastewater Treatment Plant and 1.7 MGD of filter backwash water at its water treatment plants; plus approximately 0.3 MGD of raw water is used directly for irrigation of golf courses and cemeteries for a total of 4.9 MGD of non-potable water use. A number of recycled water projects will be implemented in the near future which will further the District's progress in meeting its 2020 goal. In addition, the WSMP is being updated for long-term planning to the year 2040. In the interim, the goal is to recycle 9 MGD by the year 2010. Once the WSMP 2040 is complete, the recycled water goal will be updated for the year 2040.

Construction of the DERWA Phase 2 Project is currently underway in partnership with the Army Corps of Engineers. The project consists of a pump station and transmission pipeline along Bollinger Canyon Road. This project is scheduled for completion in FY10.

Initial deliveries of recycled water from the East Bayshore Recycled Water Project Phase 1A began in FY08 after the completion of the treatment plant, transmission pipelines, a portion of the distribution pipelines, and a portion of the customer retrofits. Design and construction of the remaining portion of the distribution pipelines and customer retrofits are continuing. If adequate funding is available, this project is scheduled for completion in the FY10-FY11 timeframe due to the complexity of installing pipelines along the I-80 corridor from Emeryville to Albany. When complete, this project will provide about 0.5 MGD of recycled water to portions of Albany, Berkeley, Emeryville, and Oakland.

Construction of the RARE Water Project Phase 1 is in progress and will be completed by FY10-FY11. This project will provide about 3.5 MGD of recycled water to the Chevron Refinery for boiler feedwater applications.

The Recycled Water Truck Program was implemented in response to the current drought. This program provides recycled water to truck customers for appropriate uses that are either prohibited from using potable water or where reduction of potable water use is required. If the drought continues into FY10, the District will continue this program and expand where necessary.

Planning and design of the San Ramon Valley Recycled Water Program Phase 2 will begin in FY09. Federal funding assistance was secured for construction of a portion of this phase. Additional funding assistance will be needed for project construction. The implementation timeframe will depend on funding assistance. When complete, this phase will provide about 0.7 MGD of recycled water to northern San Ramon/Bishop Ranch.

The District will continue to pursue federal, state, local, and private partnership funding assistance to lower project costs. A number of potential recycled water projects were identified during the update of the WSMP 2040. Some of these project concepts will be further developed and evaluated in FY10-FY11 to take advantage of possible funding assistance opportunities, including the ConocoPhillips Recycled Water Project, satellite projects at the Moraga Country Club and the Sequoyah Country Club, and Phase 1B (Alameda) of the East Bayshore Recycled Water Project.

## CLIMATE CHANGE

*Goal: Long Term Water Supply*

**Strategy 4:** Develop and implement a Climate Change Monitoring and Response Plan to inform the District's future water supply, water quality and infrastructure planning and support "no regrets" infrastructure investment decisions, and mitigate District greenhouse gas (GHG) emissions that contribute to climate change.

FY10-FY11 Top Priorities
1. Evaluate ability to manage, create, and sell carbon credits.



In 2008, the District developed a Climate Change Monitoring and Response Plan. This plan outlined the climate change science, the impact and vulnerabilities climate change poses to the District, our adaptation strategies, and our efforts to mitigate impacts on the climate.

In FY10-FY11, staff will continue to track advances in climate change science and regulations to complete plan updates. As part of our efforts to identify vulnerabilities and make cost effective investments, the potential impacts of climate change on drinking water quality, supply, and demand will be analyzed. This effort will require enhancements to the District's existing modeling tools.

The District maintains its membership in the California Climate Action Registry (CCAR). CCAR provides protocols and tools to track our greenhouse gas emissions. GHG inventories have been developed for calendar years 2005, 2006, and 2007. Inventories for 2008 and future years will also be developed. In addition, the District will evaluate our ability to create and sell carbon offsets.

California's landmark climate change legislation, AB 32, will influence climate change regulations that will be developed for several years. Staff has been actively participating in the California Air Resource Board's process for developing a plan to comply with AB 32. Staff will continue to review relevant legislation and regulations, participate in industry climate change events to learn about other utilities' response, advocate for appropriate regulatory changes, and maintain the District's industry leadership on this issue.

Since climate change may have a significant impact on the District's operations and future infrastructure investments, staff will continue to inform the public and ratepayers of potential and identified climate change impacts on water supplies and how EBMUD is addressing climate change issues.

**WATERSHED MANAGEMENT**

*Goal: Water Quality and Environmental Protection*

**Strategy 1:** Manage the Mokelumne and East Bay watersheds in a way that ensures a high quality water supply and protects natural resources while providing appropriate public access.

<b>FY10-FY11 Top Priorities</b>
1. Implement invasive species management plan for District reservoirs.*
2. Develop and Implement a Mokelumne Watershed Rangeland Management Plan.*
3. Develop and Implement a Mokelumne Watershed Fire Management Plan.*
4. Develop and Implement an Ecological Integrity Plan for the Mokelumne Watershed . *
5. Develop and Implement a Mokelumne Watershed Water Quality Monitoring Program.*
6. Implement Mokelumne Watershed Safe Harbor Agreement.
7. Develop and Implement Recreation Plan for Lafayette Recreation Area.
8. Implement Lower Mokelumne River Management – Hatchery Improvements.
9. Establish Pinole Valley Mitigation Bank.

\*Mandatory or committed (i.e., non-discretionary)

In 2008, the District implemented the Invasive Mussel Prevention Program which included establishing boating controls, conducting public outreach, initiating a mussel monitoring program, designing a chemical treatment system for the Freeport supply, completing a draft vulnerability assessment of District reservoirs, and sponsoring legislation (AB 2065) aimed at preventing the spread of quagga and zebra mussels. The District’s program will continue to use the best available information to protect our reservoirs and water system as cost effectively as possible.

The Mokelumne Watershed Master Plan was adopted in April of 2008 and recommended the completion of eight specific management plans. Four of those plans are currently under development and will be completed in FY09. These include the Mobile Home Park Management Plan, the Recreation Management Plan, the Asset Management Plan, and the Financial Management Plan. The remaining four to be completed in FY10 include the Rangeland Management Plan, the Fire Management Plan, the Ecological Integrity Plan, and the Water Quality Monitoring Program. These plans will set the specific long-term management guidance consistent with the policy guidance in the Master Plan.

The Mokelumne Safe Harbor Agreement (SHA) is a means to ensure long-term compliance with the Federal Endangered Species Act for District activities and operations, and selected future projects in the Mokelumne Watershed. Under the terms of the SHA, the District will maintain the baseline habitat in the watershed for the term of the agreement (2009-2040); implement and maintain specific conservation management activities; and, monitor and report annually. In return, the U. S. Fish and

Wildlife Service (USFWS) would issue a permit authorizing take of California tiger salamander, California red-legged frog and valley elderberry longhorn beetle incidental District activities on the watershed. EBMUD is currently in negotiations with the USFWS on the SHA.

The Lafayette Recreation Area is currently undergoing significant disruption due to construction of water transmission pipelines and the new Highland Reservoir and associated pipelines on-site. As that work nears completion in the next two years, the long term recreation plan will be updated to review use patterns, asset conditions, and future needs. The plan will identify improvements to the access roads, paved trails, and parking areas to improve safety, and make traffic flow and parking more efficient. The plan will also recommend revised fees to maximize revenues at this recreation area.

The Mokelumne River Fish Hatchery is a key element in the management of the lower Mokelumne River to ensure the long-term success of the salmon and steelhead fishery. The hatchery is owned and funded by EBMUD but operated by the California Department of Fish and Game (CDFG) under a 2004 agreement. The FY10-FY11 business plan includes a review of hatchery goals and production targets with CDFG, and the U.S Fish and Wildlife Service to ensure that state and federal fishery management goals are achieved. CDFG recently made a unilateral decision regarding transfer of salmon and steelhead eggs between hatcheries which will impact production at the Mokelumne Hatchery in some years. EBMUD will work with the resource agencies to prioritize improvements to best meet goals based on clear policy direction. Activities in FY10-FY11 include purchase of equipment needed to meet the fisheries monitoring and assessment requirements, address additional Endangered Species Act listings, and changes to Sacramento – San Joaquin Delta operations. Additionally, two years ago the CDFG required hatcheries to implement a program to mark and tag 25% of fish produced. The state funded the first two years of this mandated program, but EBMUD is required to continue funding the program in FY10-FY11.

EBMUD has been exploring the possibility of developing a mitigation bank on over 3,000 acres of surplus property in the Pinole Valley. The Pinole Valley has excellent potential for establishment of a mitigation bank for wetlands and protected species. The substantial revenue generated from the bank could offset watershed expenditures or be used for other District initiatives. Staff is currently completing feasibility and financial analyses, and is scheduled to begin drafting the agreement with resource agencies in late FY09. FY10 activities would include completing agreements, initiating construction of the habitat enhancements, and completing the first sales of mitigation credits.

**O&M TO MEET DRINKING WATER REGULATIONS**

*Goal: Water Quality and Environmental Protection*

**Strategy 2:** Operate and maintain District facilities to surpass federal and state drinking water regulations with a margin of safety to meet customer expectations.

FY10-FY11 Top Priorities
1. Implement plan to pilot test ways to maximize treatment of Folsom South Canal Connection water at the in-line water treatment plants.
2. Review Mokelumne based water goals with respect to the District’s supplemental supplies.
3. Develop and implement plan to control NDMA in the water distribution system.
4. Develop and implement plan to control nitrification in the water distribution system.
5. Assemble & organize water quality data.

The ability to treat Folsom South Canal water at the in-line water treatment plants (Orinda, Walnut Creek, and Lafayette) will increase our flexibility to manage our water supply use and minimize operating costs at the treatment plants and raw water pumping plants. The District has been in discussion with the California Department of Public Health on this plan, and is developing a pilot test program to assess the feasibility of treating Folsom South Canal water at the in-line water treatment plants.

In addition, the District is moving forward with a number of supplemental water supply projects including the Folsom South Canal and Bayside Groundwater projects. The Mokelumne based water quality goals will be reviewed with respect to these supplemental supplies to ensure adequate treatment is provided for these supplies to meet all Federal and State drinking water regulations.

NDMA (n-nitrosodimethylamine) is an emerging contaminant that has been found in our treated water this past year at 5 ppt. This level is greater than our current water quality goal of 3 ppt. California’s Public Health Goal (PHG) for NDMA is 3 ppt, and although the PHG is not regulatory, the District is required to report to the cities that we serve when this level is exceeded. In addition, the state has a Notification Level of 10 ppt that requires us to notify all customers when measured levels of NDMA exceed this level. The District has been able to control NDMA by minimizing water age and cationic polymer dosage at the treatment plants, and will further develop and implement a plan to control NDMA.

Nitrification is a common biological process which occurs routinely in distribution systems especially those which use chloramines. Nitrification can lead to rapid and severe loss of chloramine residual which can lead to regulatory violations of the Total Coliform Rule and the Surface Water Treatment Rule. Given the size and complexity of our distribution system, common methods to control nitrification are difficult to implement and could result in other water quality impacts. The District has been able to control nitrification by optimizing chloramine formation at the treatment plants and testing storage tank mixers, and will further develop and implement a plan to control nitrification.

The District collects large amounts of laboratory and field water quality data each year. The District will develop a water quality application to improve data access, which will result in greater efficiency, more accurate reporting of information, and better decision making based on consistent and reliable water quality information.

**O&M TO MEET AIR, LAND, WATER DISCHARGE REQUIREMENTS**

*Goal: Water Quality and Environmental Protection*

**Strategy 3:** Operate and maintain District facilities to anticipate and meet all air, land, and water discharge requirements.

FY10-FY11 Top Priorities
1. Respond to CARB requirements to reduce diesel particulate emissions.*
2. Complete Camanche North Shore Phase 2 Joint Project Feasibility Study.

\*Mandatory or committed (i.e., non-discretionary)

California Air Resources Board (CARB) regulations require that the District control diesel particulate emissions from stationary, portable, and mobile engines. Non-compliance with the regulations could result in violations, fines, and penalties. The District will retrofit 14 engines, replace 35 vehicles, and retrofit off-road equipment in order to comply with the Heavy Duty Public and Utility Fleet Rule, the Off-Road Diesel Vehicle Rule, and the Large Spark Ignition Rule. This project will allow the District to meet the associated regulatory compliance milestone dates set forth by CARB in FY10-FY11.

The District will complete the planning for a joint wastewater treatment facility with Amador Water Agency (AWA) as part of the Camanche North Shore Phase 2 Joint Project Feasibility Study. This project will explore the feasibility of a regional wastewater treatment facility owned and operated by AWA. The facility would provide treatment and disposal of wastewater from the Camanche North Shore Recreation Area (CANS) collection system. As part of our Best Practical Treatment and Control (BPTC) evaluation work plan required by the Central Valley Regional Water Quality Control Board (CVRWQCB) due April 2009, the District will determine if the AWA joint project meets our goals and has an acceptable timeline to meet the CVRWQCB requirements.

This business plan includes a number of projects at the Main Wastewater Treatment Plant (MWWTP), including continued implementation of the Biosolids Environmental Management System; replacement of an existing dewatering centrifuge to improve process performance and reliability; construction of the Digester Upgrade Phase II improvements to repair aging infrastructure, allow continued renewable energy production, reduce odor emissions, and improve reliability; construction of the Power Generation Station Renewable Energy Expansion Project to increase on-site electricity production and reduce flaring of digester gas; completion of a Water Environment Research Foundation study to support the District’s practice of blending primary and secondary effluent during peak storm events; installation of chemical feed systems to provide improved response during process upset events and ensure continued compliance with the MWWTP National Pollution Discharge Elimination System (NPDES) permit; and completion of a study to evaluate alternative disinfection processes to reduce chemical costs and improve process control. The business plan also includes continued implementation of Sewer System Management Plans at the MWWTP and upcountry facilities, rehabilitation projects in the Pardee and Camanche wastewater collection systems to reduce the potential for sanitary sewer overflows, and monitoring and reporting as required by the District’s NPDES permits.



## REDUCE, RECYCLE, REUSE, RECLAIM

*Goal: Water Quality and Environmental Protection*

**Strategy 4:** Minimize impacts to the environment by reducing, recycling, reusing, and reclaiming waste, and by conserving natural resources.

FY10-FY11 Top Priorities
1. Complete Secondary Aeration Capacity Optimization Study.
2. Complete Walnut Creek Water Treatment Plant Photovoltaic Project.
3. Reduce volume of trench spoils generated and sent to landfill.
4. Optimize energy use at Water Treatment Plants and large pumping plants.
5. Develop guidelines for purchasing Green Products.

The District will complete the Secondary Aeration Capacity Optimization Study to identify opportunities to reduce energy use at the Main Wastewater Treatment Plant through more efficient operation of the secondary treatment process. This study will focus on the most energy-intensive step in the wastewater treatment process to identify specific measures to improve performance and efficiency, including both operating modifications and increased automation. More efficient use of oxygen in the secondary treatment process will directly reduce electricity consumption associated with on-site oxygen generation and utilization.

The project to install a photovoltaic (PV) energy system on the roofs of the chlorine contact chamber and clearwell at Walnut Creek Water Treatment Plant is proceeding as a potential power purchase agreement (PPA) contract with a PV vendor. The District will be issuing a request for proposals this fiscal year for a PV system capable of generating nearly 1 million KWh annually, or about one-third of the total annual electric use at the plant. In addition, the District will be investigating other sites and PPAs.

The trench spoils, created when a new pipeline is installed or existing pipeline repaired, require time to handle, fuel for transportation, and may need to be disposed in a landfill. The District will investigate methods to reduce the volume of spoils removed from a construction site. Three trenchless pipeline projects will be completed to test the feasibility and effectiveness of this technology.

Energy use is the key source of the District's greenhouse gas emissions. The electric meters at the larger distribution pumping plants and water treatment plants will be connected to the District's Supervisory Control And Data Acquisition (SCADA) system to allow operators to monitor electrical use in real time. This feedback will provide important information on energy use to support informed decisions for operations, maintenance and infrastructure investments.

The District's Sustainability Policy includes objectives to promote the purchase and use of recycled and recyclable products and to look for opportunities for continuous improvement of environmental performance and prevention of pollution to reduce impacts to the environment. Staff will create a green product purchasing guideline to support recycled products and help define when purchase of green products is appropriate.

In addition, the District will continue to seek ways to reduce greenhouse gas (GHG) emissions by reducing individual vehicle miles traveled, reviewing renewable energy projects (e.g., hydro power and PV systems), incorporating Leadership in Energy and Environmental Design (LEED) building practices into future projects as applicable, and evaluating use of products like low carbon cement. Periodic reports to the Board will provide information on the District's GHG emissions inventory and progress emissions reductions and offsets.

## SAN FRANCISCO BAY PROTECTION

*Goal: Water Quality and Environmental Protection*

**Strategy 5:** Ensure protection and stewardship of San Francisco Bay.

<b>FY10-FY11 Top Priorities</b>
1. Identify sources of PCBs into the District's Wastewater Treatment Plant (WWTP) and develop approaches to reduce discharges of PCBs into the wastewater collection and treatment system.*
2. Identify and develop source control strategies to reduce pollutants identified in SF Bay Total Maximum Daily Loads (TMDLs).*
3. Wet Weather Program activities.*
4. Enhance broad partnership initiatives with non-governmental organizations including Save the Bay, Baykeeper, and Friends of Creeks.

\*Mandatory or committed (i.e. non-discretionary)

The Regional Water Quality Control Board (RWQCB) has adopted a PCB TMDL for San Francisco Bay. According to preliminary data from the years 2000-01, the District's PCB discharges may be greater than the mass allocated under the current model in the TMDL. The District is conducting a study to identify sources of PCBs in the collection systems that contribute to the WWTP's mass discharge of PCBs. As sources are identified, pollution prevention approaches to minimize PCB discharges from those sources will be developed. In addition, through Bay Area Clean Water Agencies (BACWA) and other means, the District is working with other wastewater dischargers, regulators and stakeholders on alternative approaches for implementing the mass allocations in a watershed permit.

The District is responding to the RWQCB's TMDLs and site specific objectives for trace pollutants, focusing on copper, cyanide, and dioxin. The RWQCB requires pollution prevention for these pollutants, and the District's activities are focusing on boatyards for copper reduction, looking at metal finishing or similar businesses as sources of cyanide, and collaborating with regional Publicly Owned Treatment Works (POTWs) for dioxin research efforts. It appears that these pollution prevention activities will meet regulatory requirements and result in compliance with the Total Maximum Daily Loads (TMDLs).

The District's pending Wet Weather Facilities Wastewater Discharge Permit and other regulatory requirements mandate a range of new activities to better understand and ultimately control inflow and infiltration as a way to reduce wet weather flow discharges from the District's wet weather treatment facilities.

The District is working to enhance its partnerships with nongovernmental organizations (NGOs). These tasks will increase ratepayer recognition of the District/NGO partnerships and of the District's Bay stewardship activities. These partnerships will expand the District's communications with the NGOs and strengthen the District's position in wastewater discharge permit negotiations.

The District's ongoing Bay stewardship activities are undertaken to continue to meet regulatory requirements for an increasing range of pollutants. These activities include programs for mercury

reduction, FOG (fats, oils, and grease) control, medical care facility pollution prevention, and residential outreach and pollution prevention. The FOG program's activities with the collection system communities also help to reduce sanitary sewer overflows for the communities. The District also protects local creeks and the Bay through continuous improvement of its dechlorination and erosion control activities. These longstanding pollution prevention activities, together with the new initiatives, combine to provide cost-effective approaches to decrease the discharges of many trace-level pollutants, especially when compared to capital construction projects.

## COORDINATED MASTER PLANS

*Goal: Long Term Infrastructure Investment*

**Strategy 1:** Maintain coordinated master plans for all facilities which consider current facility condition and performance and address future service needs as well as potential threats, challenges, and opportunities.

<b>FY10-FY11 Top Priorities</b>
<ol style="list-style-type: none"> <li>1. Complete the following master plans and master plan updates:               <ol style="list-style-type: none"> <li>a. Infrastructure Rehabilitation Master Plan</li> <li>b. Pipeline Master Plan</li> <li>c. Raw Water Master Plan</li> <li>d. Wastewater Land Use Master Plan and EIR</li> <li>e. Raw Water Reservoir Rehabilitation Master Plan</li> <li>f. Facilities Security Vulnerability Assessment and Master Plan</li> <li>g. Reservoir Rehabilitation Master Plan Update</li> <li>h. Pumping Plant Rehabilitation Master Plan Update</li> <li>i. Regulator and Rate Control Station Rehabilitation Master Plan Update</li> <li>j. Water Treatment Plant Rehabilitation Master Plan Update</li> </ol> </li> </ol>
<ol style="list-style-type: none"> <li>2. Inspect Civil/Structural Condition of all Raw Water Reservoir Facilities</li> </ol>
<ol style="list-style-type: none"> <li>3. Inspect Civil/Structural Condition of all Major Facilities</li> </ol>

Coordinated master planning is a critical component of maintaining and improving the District's infrastructure in a cost effective manner to ensure reliable, high quality service to our customers. In 1993, the District completed a Water Supply Management Plan (WSMP). In 2003, the District completed the Water Treatment and Transmission Master Plan, and in 2006, the Distribution System Master Plan and Water Treatment and Transmission Improvements Program EIR. In FY08-09, the following master plans were completed: Mokelumne Watershed Master Plan and Program EIR, Wastewater Interceptor Master Plan, Wastewater Odor Control Master Plan, Valve Master Plan, Reservoir Rehabilitation Master Plan, Pumping Plant Rehabilitation Master Plan, Regulator and Rate Control Station Rehabilitation Master Plan, and the Water Treatment Plant Rehabilitation Master Plan. Additional master planning is needed to fill gaps and to develop detailed long range approaches to planned maintenance and rehabilitation of facilities. Future master plans include an Infrastructure Rehabilitation Master Plan, Pipeline Master Plan, Raw Water Master Plan, Wastewater Land Use Master Plan and EIR, Raw Water Reservoir Rehabilitation Master Plan, Facilities Security Vulnerability Assessment and Master Plan and routine updates to the Reservoir, Pumping Plant, Regulator and Rate Control Station, and Water Treatment Plant Rehabilitation Master Plans.

## EFFECTIVE MAINTENANCE

*Goal: Long Term Infrastructure Investment*

**Strategy 2:** Meet operational needs and reliability goals by implementing effective maintenance practices.

FY10-FY11 Top Priorities
1. Implement new excavation backfill technology.
2. Develop and implement sustainable integrated wastewater asset management program.

The District's water distribution pipeline infrastructure consists of 102,036 separate pipeline segments totaling 21,611,040 linear feet. Connected to this infrastructure are 103,744 flow control devices, 29,973 fire hydrants, and 394,870 separate and unique services. All of this spreads across 128 separate pressure zones and 340 square miles. The Backbone and Critical Pipeline Infrastructure Program will facilitate our identification and understanding of the operational criticality of each of these assets. Backbone Pipe is defined as the pipeline connecting source to storage within the distribution system and is required to sustain domestic and fire service within a pressure zone. Critical pipe is defined as the pipeline providing service to hospitals, schools, mass care shelters, and critical utility stations. Understanding which pipelines and appurtenances these are will allow for development and implementation of advanced maintenance practices, response/repair prioritization, and our ability to facilitate recovery following a major earthquake.

A sustainable District wastewater asset management program will allow the District to ensure compliance with regulatory requirements, including the California Waste Discharge Requirements for Sanitary Sewer Overflows. Preliminary asset management plans will be developed for key wastewater facilities. These plans will define long term recommendations for operations and maintenance investment as well as capital investment strategies to maximize the effective utilization of the District's assets. The District's asset management programs are being developed by the Operations and Maintenance Department and the Wastewater Department. Procedures and protocols for a consistent integrated District asset management program will be developed.

Ongoing activities related to this business plan include evaluating and updating existing predictive maintenance programs through identification of emerging, non-destructive testing technologies as well as an objective review of the performance of existing predictive maintenance strategies.

## TECHNOLOGY

*Goal: Long Term Financial Stability*

**Strategy 5:** Evaluate and implement technologies that lower cost and/or improve service.

<b>FY10-FY11 Top Priorities</b>
1. Effectively manage EBMUD.com.
2. Create a Robust Data Warehousing and reporting environment.

The current ebmud.com infrastructure is outdated and difficult to manage. This limits the District's ability to meet existing and future 24x7 customer service goals through ebmud.com, including online employment applications, water conservation rebates, drought central, outage notifications, conservation audits, vendor management and other online applications. In FY10-FY11, staff will begin to explore ways to improve the District's website so that future modifications can be made quickly and cost-effectively as business needs change or new ones emerge.

The project to create a robust Data Warehousing environment will allow for high volumes of report and analysis requests such as queries against the District's financial information and customer information systems without compromising the performance of the production database. The data warehouse will improve the accuracy of reports and analyses and will reduce the time it takes to develop and implement new reports and analyses. It will reduce reliance on ISD programmers for reporting and analysis needs and give users more powerful tools with which to analyze their data.

**EMERGENCY PREPAREDNESS**

*Goal: Customer Service*

**Strategy 3:** Maintain an active Emergency Preparedness Program to plan for and manage the District’s functions during an emergency and allow for an efficient and effective recovery following an emergency.

FY10-FY11 Top Priorities
1. Purchase pumps and equipment to deliver water after an earthquake as identified in the event specific emergency response plans.*
2. Update Inundation Maps for Dams, Terminal Reservoirs and Distribution Reservoirs.
3. Identify alternative work locations.

\*Mandatory or committed (i.e., non-discretionary)

Consistent with the District’s Strategic Plan, the District maintains an active Emergency Preparedness Program to plan for and manage the District’s functions during an emergency and allow for an efficient and effective recovery following an emergency. To this end, the District is purchasing portable pumps and equipment that will be used to deliver water after an earthquake or other disaster. Staff will also begin updating inundation maps for dams, terminal reservoirs, and distribution reservoirs which will provide current data for emergency planning, giving the District improved ability to plan with both Alameda County and Contra Costa County Offices of Emergency Services. Staff is also identifying alternative work locations for critical operations.

In addition, ongoing activities related to this business plan include maintaining seismic fault crossings and temporary fault crossing hoses and updating the Emergency Operations Plan and Business Continuity Plans.



## FINANCE

*Goal: Long Term Financial Stability*

### Strategies:

1. Ensure sufficient revenues to cover the District's needs.
2. Maintain a strong financial position to meet short and long-term needs.
3. Maintain the integrity of District financial systems.
4. Make the best use of every dollar spent.

<b>FY10-FY11 Top Priorities</b>
1. Continue development of the Resource Recovery Program.
2. Examine opportunities to improve bill design, printing components, and current bill production processes in light of the new CIS. Determine most comprehensive plan and cost effective and efficient combination of resources, tools, and best processes for paper / e-bill design and production.
3. Review risk management claims experience and evaluate ways to decrease the number and size of claims.
4. Review and develop opportunities to implement progress billings with different types of agreements within the Miscellaneous Accounts Receivable invoicing process.
5. Standardize financial code names, edits, and budgetary controls on forms and input screens of all financial systems and databases.

As costs associated with operations and maintenance continue to rise, this business plan addresses possible ways to increase revenue and reduce costs. Wastewater's Resource Recovery (R2) Program continues to be successful in attracting new customers and generating additional revenue from tipping fees and power generation. The budgeted revenue from tipping fees in FY10-FY11 is \$7.0 million. This represents an increase of \$2 million over FY09 budgeted revenue from this program of \$5.0 million. The business plan includes additional capital improvements at the Main Wastewater Treatment Plant and staffing changes within the R2 Program that will enable the program to continue to expand and provide additional power revenue through the utilization of excess methane gas.

To reduce costs, the District is planning to install new CIS software in FY10. Along with this improvement, a review of current billing processes will be performed to combine the new technology to design, develop and implement processes that can save money and improve customer service.

In FY09, Risk Management completed an implementation of new software to track claims and will continue this effort by evaluating the data to seek out ways to reduce this growing expense.

Other initiatives in FY10-FY11 include improving the accounts receivable process for Miscellaneous Applicant Agreements and standardizing financial coding which will result in improved budgetary controls and access to all financial data.

## CUSTOMER SERVICE

*Goal: Customer Service*

**Strategies:**

1. Understand customer expectations, opinions and satisfaction levels by obtaining feedback, and use customer input to inform our business decisions.
2. Invest in business process changes and technologies that promote customer care, convenience, and self service.

<b>FY10-FY11 Top Priorities</b>
1. Review the District's existing efforts to collect point of service customer input and assess whether any changes in the program are warranted at this time.
2. Develop expanded internet capabilities for enhanced payment options and New Business Office applicant estimates.

Customer feedback at points of service helps EBMUD gather information about how our service delivery approaches meet customer needs and expectations. Staff will review the ongoing activities and assess whether the point of service research activities of the District require fine-tuning.

The District offers a variety of convenient electronic payment options that currently bring in 38% of the total customer payments. The District's cost to process electronic payments is lower than the cost to process checks and cash, and the District will continue to bring electronic services to the attention of customers and increase their use. Twenty-one percent of the total customer payments are processed through online or Internet portals. The District will benefit from developing expanded Internet capabilities that can improve customer satisfaction and reduce costs. These capabilities include improvements that encourage customers to receive their bills and pay them online, process NBO applications and provide estimates to new customers, and conduct customer surveys. The implementation of the District's new Customer Information System (CIS) in late 2009 will provide improved customer service tools and increased flexibility in managing customer accounts and new services. The system has been designed to grow as District initiatives move forward.

## WORKFORCE PLANNING

*Goal: Workforce Planning and Development*

### Strategies:

1. Develop and implement workforce plans that ensure critical work is performed, identify new ways to perform work, and meet future workforce needs.
2. Enhance the District's ability to recruit a highly qualified, diverse staff.
3. Develop employees to meet workforce demands.
4. Actively manage employee performance to ensure that District goals are met.
5. Create an environment that encourages retention of employees.

<b>FY10-FY11 Top Priorities</b>
1. Enhance District Jobs web site and update / enhance online application process.
2. Develop job-training programs in partnership with community colleges, community based organizations, and other utilities to expand the number of qualified candidates for entry-level, hard-to-fill District jobs.
3. Develop a streamline on-boarding/orientation process for all employees and strengthen orientation and training for new managers.
4. Explore improvements to the District's performance planning, coaching, and appraisal systems.
5. Enhance programs to educate youth about careers in the water and wastewater industry at primary and secondary school levels.

Since the year 2000, the District has been examining the demographic makeup of its own workforce as well as the broader labor market to make plans to address the expected shortage of skilled workers as Baby Boomers continue to retire. While we continuously pursue all of the strategies outlined above, recent efforts have concentrated largely on developmental academies to develop in-house staff for promotional opportunities in job classifications where significant vacancies are anticipated and where a viable internal candidate pool is available.

Beginning in FY09 with initiatives that will expand in FY10-FY11, we will address skills gaps in the labor market, cultivate candidate pools in our community, and add depth to our workforce by pursuing regional partnerships with other local utilities, educational institutions, and community organizations. These partnerships, which will include training programs and outreach to high schools, colleges and community groups, will help us cultivate and train candidates for mission-critical, hard to fill positions, ensuring the District's operational needs are met.

In addition, the District will continue to position itself as a great place to work through branding and marketing as well as updating our online "image" to enhance our web presence and make our application process more user-friendly. This is especially important for attracting new workers who may not be aware of the variety of career opportunities we offer, our environmental mission or the benefits of working in public service.

Finally, the District will explore options to encourage retention of experienced employees who might otherwise leave, taking their valuable expertise and organizational knowledge with them. These employees are uniquely suited to fill the labor gap until the next generation of workers is hired and to assist in their development.

### 1.3 Financial Forecast

## Chapter 1.3 - FINANCIAL FORECAST

The five-year financial forecast presents the estimated impact of operations, debt service requirements and reserve balances on rate projections over the five-year period.

This forecast is built upon:

- Adopted District financial policies
- Capital investments in the FY10-FY14 Capital Improvement Program
- Additional surcharge revenues and expenditures associated with the Seismic Improvement Program for the Water System.

This forecast identifies a series of rate increases for both the Water and Wastewater Systems based on estimated increases in operating and capital expenditures to maintain current service levels, meet mandated program requirements, and fund increased debt service due to capital expenditures.

### WATER SYSTEM

Forecasted operating expenses are expected to grow by an average of approximately 4% per year during the five-year period, while water revenues, before any projected rate increases, stay relatively flat at less than 1% average increase per year. This reflects relatively low account growth and effects of the water conservation program during the period. However, debt service grows by an average of 3.7% during the same five-year period. The key factors driving the need for increased Water System revenues are inflation and the need to continually invest in capital improvements to the system.

Capital cash flow spending is projected at \$861.2 million over the five-year period. Major programs or projects to be undertaken during this period include: Pipeline Installations, Extensions & Renewals (\$160.5 million), Pressure Zone Improvements (\$103.6 million), the Raw Water Infrastructure Improvement project (\$58.8 million), the Service Lateral Replacements – Polybutylene project (\$55.7 million), Water Treatment and Transmission Improvements (\$43.9 million) and Pumping Plant Rehabilitation (\$42.6 million).

Debt coverage ratio for FY10 of 1.53 is a slight decrease from the financial policy target coverage ratio of 1.6. However for FY11, the debt coverage ratio increases to 1.62 and for the remaining three years in the five-year period, the ratio meets or exceeds the targeted coverage rate of 1.6 and the cash reserve targets. Revenues in excess of those needed to meet financial reserves are used to fund a portion of the capital program. The projected average percentage of capital funded from debt will be 47% over the five-year period, lower than the financial policy target of 65%.

The following table shows the financial forecast for the Water System based on projected operations and maintenance expenses and debt service requirements.

**WATER SYSTEM  
FIVE-YEAR FINANCIAL FORECAST**  
(\$Millions)

	Actual	Budget	Forecast				
	FY08	FY09	FY10	FY11	FY12	FY13	FY14
<b>Operating Revenues</b>							
Water Rates	270.1	297.8	305.1	328.5	346.9	364.8	383.6
Seismic	14.8	15.4	15.9	16.8	17.6	18.4	19.2
Taxes	22.7	19.3	20.4	21.2	22.1	23.0	23.9
Power	3.2	5.4	5.7	5.7	5.7	5.7	5.7
Interest	17.2	9.9	8.9	11.2	11.5	11.6	11.9
SCC Revenues	21.4	38.3	28.1	30.1	32.5	35.3	38.8
Reimbursements	10.3	6.5	6.5	6.5	6.5	6.5	6.5
All Other	<u>30.8</u>	<u>9.2</u>	<u>9.4</u>	<u>10.1</u>	<u>10.2</u>	<u>10.3</u>	<u>10.4</u>
<b>Total</b>	<b>390.5</b>	<b>401.8</b>	<b>400.0</b>	<b>430.1</b>	<b>453.0</b>	<b>475.6</b>	<b>500.0</b>
Operations & maintenance expenses	(190.3)	(203.2)	(208.5)	(217.6)	(227.7)	(235.5)	(243.5)
Debt service	(118.0)	(136.3)	(141.8)	(151.0)	(155.8)	(159.8)	(163.9)
Revenue funded capital	(35.2)	(57.8)	(46.3)	(55.7)	(64.1)	(75.3)	(87.5)
Debt service coverage	1.86	1.63	1.53	1.62	1.65	1.71	1.77
Net change	47.0	4.5	3.3	5.8	5.2	4.9	5.1
Ending reserve balance	237.0	103.1	106.5	112.3	117.6	122.4	127.5
Target reserve balance	99.8	86.0	106.5	112.3	117.6	122.4	127.5
Capital cash flow	292.30	407.90	196.17	147.82	173.70	170.16	173.30
% Debt funded		81%	69%	52%	41%	35%	37%
% Rate Increase			7.50%	7.50%	5.00%	5.00%	5.00%

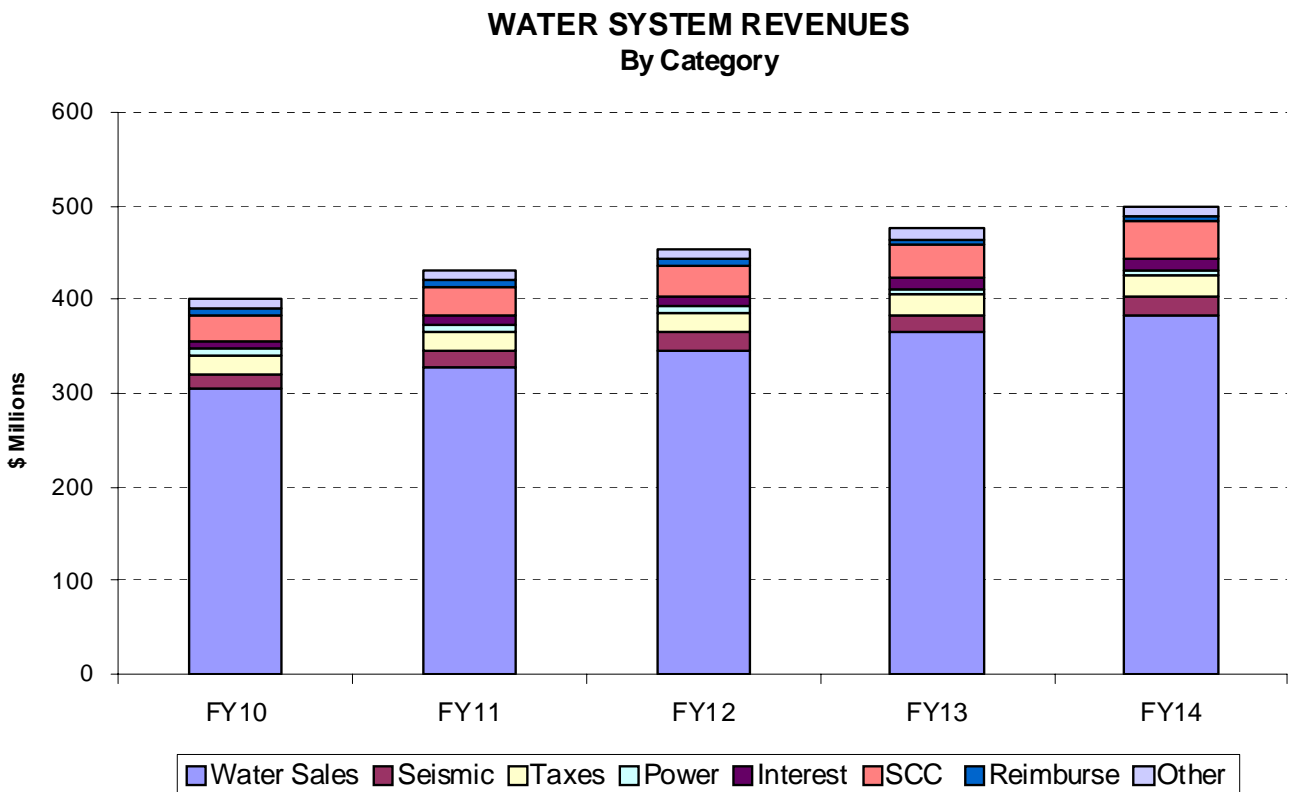
Projected operating revenues are expected to increase from \$400.0 million in FY10 to \$500.0 million by FY14, an increase of 25%. The increase of \$100.0 million in revenue over the five-year period is to cover increased costs in the following areas:

- Debt service requirements
- Operations and maintenance expenses
- Revenue funding for construction

### Water System Revenues

The major components of the increase in operating revenue during the five-year period are water rates which are projected to increase from \$305.1 million in FY10 to \$383.6 million in FY14 based on water rate increases, and increases in SCC revenues of \$28.1 million in FY10 to \$38.8 million in FY14. Increases in the SCC revenues are due the expected recovery in home building and the completion of Water Supply Improvement Projects during the next five years.

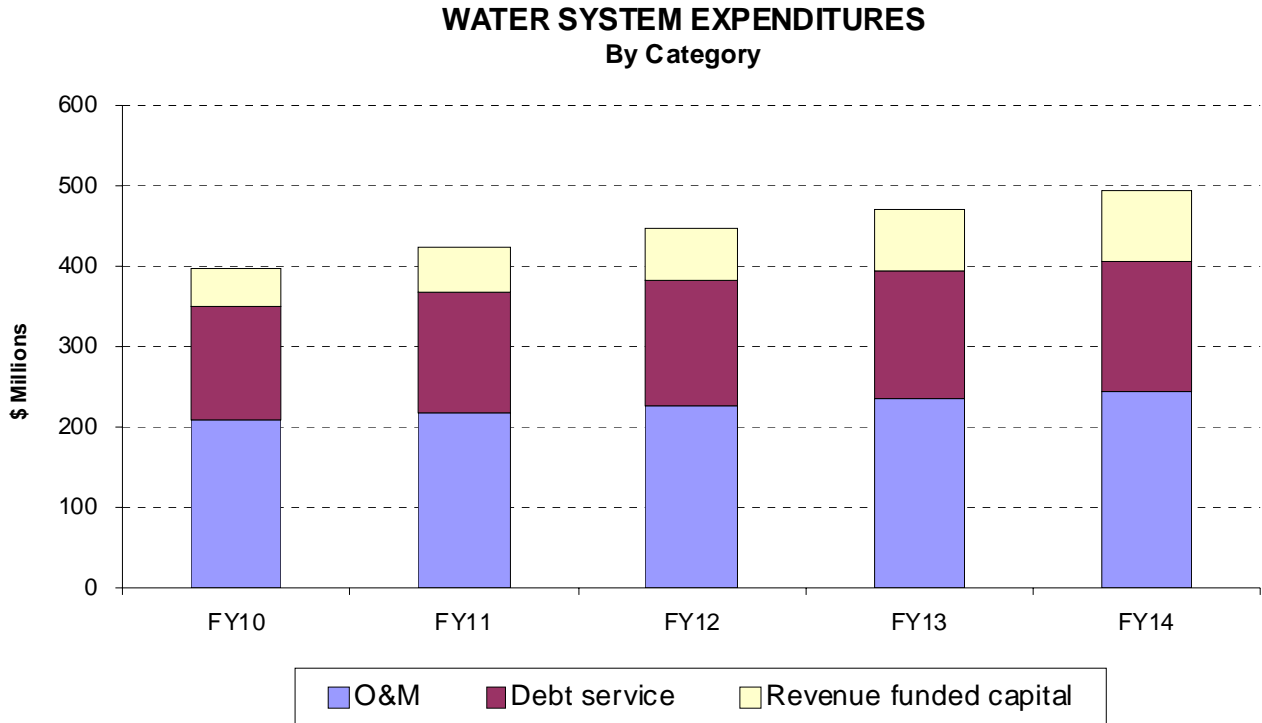
The following chart shows projected Water System operating revenues for the next five years.





### Water System Expenditures

This chart summarizes projected Water System expenditures for the next five years.

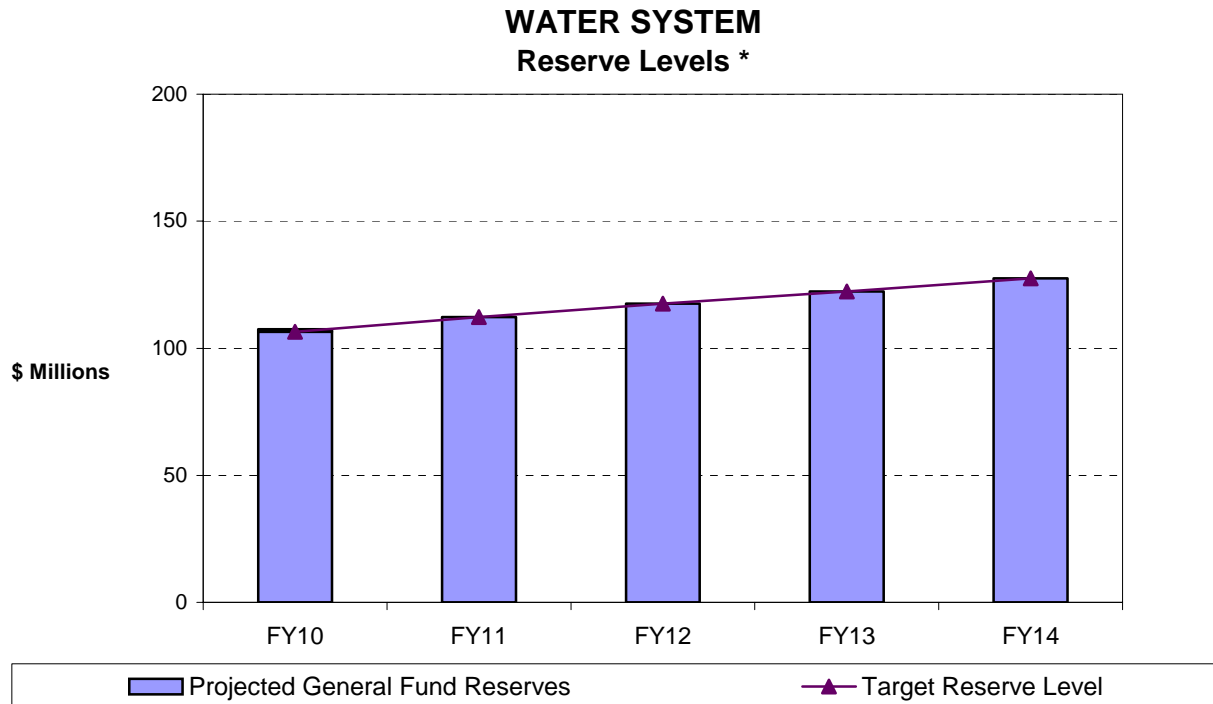


The Water System operations and maintenance (O&M) expenses are projected to increase from \$208.5 million in FY10 to \$243.5 million in FY14, a 4.0% increase annually. In addition to increases in O&M expenses, debt service requirements are expected to increase from \$141.8 million in FY10 to \$163.9 million by FY14, an increase of 16%. This increase is the result of \$378.0 million of new debt that will be issued to finance the Water System Capital Improvement Program.

In addition to projected increases in operations and maintenance expenses and debt service requirements, Water System revenues will also be used to pay for an increasing amount of capital expenditures on a pay-as-you-go basis in accordance with the District's financial policies. Over the five-year period, the percentage of capital funded from debt will average 47%, which is less than the 65% goal contained in the District's debt policy.

## Water System Reserves

The following shows Water System reserve levels projected at the end of each of the next five years. Ending reserve levels are projected to average \$117 million over the five-year period.



\* In order to achieve our cash reserve target in FY10, the District will need to closely monitor expenditures and revenues, and if necessary issue up to \$10.0 million in additional debt to fund the capital program in FY10.

The General Fund reserves consist of:

- Working capital reserves equal to three months operating and maintenance expenses
- Self insurance reserves at 1.25 times the expected annual expenditures
- Workers' compensation reserves of \$3.2 million in FY10 and \$3.2 million in FY11
- Contingency/rate stabilization reserve of 20% of projected annual water volume revenues.

The table below shows the changes to reserve components over the five-year period. Reserve balances meet or exceed the target levels for the entire period.

**WATER SYSTEM  
RESERVE COMPONENTS**  
(\$Millions)

RESERVE COMPONENTS	Projected				
	FY10	FY11	FY12	FY13	FY14
Working capital	52.1	54.5	56.9	58.9	60.9
Self insurance reserve	5.0	5.0	5.2	5.3	5.5
Workers' compensation reserves	3.2	3.2	3.3	3.4	3.5
Contingency and rate stabilization	46.2	49.6	52.1	54.8	57.6
Projected general fund reserves	106.5	112.3	117.5	122.4	127.5
Target reserves	106.5	112.3	117.5	122.4	127.5

### Water System Capital Improvement Program

The Five-Year Capital Improvement Program (CIP) outlines Water System capital investment plans for the next five-year period, the estimated cost of these investments and the sources of funds. Appropriations reflect the amount that is authorized and budgeted over a multi-year period for each program. Cash flows are the amounts estimated to be spent on each program in a given year. The five-year program for the Water System includes \$907.4 million in capital project appropriations, including administrative and general expenses, and \$861.2 million in projected cash flow spending.

The largest amount of capital resources is being directed to maintaining the infrastructure, water supply, and extensions and improvements strategies. In the FY10-FY14 CIP, 88% of Water System's appropriations will be for projects in these areas.

Funding for these projects is drawn from the proceeds of revenue bond issues, commercial paper, grants, reimbursements from developers and other agencies and current reserves and revenues.

### Debt Requirements

Over the five-year period, 47% of capital expenditures will be debt funded. Water System debt will increase by \$168.0 million during the period. Total debt outstanding at the end of the five-year period will total \$2.4 billion.

Projected new bond issues, level of outstanding debt and debt service are shown in the following table:

**WATER SYSTEM**  
**DEBT OUTSTANDING AND DEBT SERVICE AT END OF FISCAL YEAR**  
(\$Millions)

	Forecast				
	FY10	FY11	FY12	FY13	FY14
Beginning of Year Outstanding Debt	2,248	2,314	2,349	2,380	2,396
Debt Retired	(39)	(40)	(42)	(44)	(45)
New Bond Issues and Commercial Paper	<u>105</u>	<u>75</u>	<u>73</u>	<u>60</u>	<u>65</u>
<b>Total Outstanding Debt</b>	<b>2,314</b>	<b>2,349</b>	<b>2,380</b>	<b>2,396</b>	<b>2,416</b>
Debt Service	128.7	133.0	133.0	133.1	133.0
Existing and New Debt	6.8	11.7	16.5	20.4	24.6
Debt Servicing Costs	<u>6.3</u>	<u>6.3</u>	<u>6.3</u>	<u>6.3</u>	<u>6.3</u>
<b>Total Debt Service</b>	<b>141.8</b>	<b>151.0</b>	<b>155.8</b>	<b>159.8</b>	<b>163.9</b>

Some of the major capital improvement projects for the Water System are as follows:

(\$Millions)

Project	FY10-FY14 Appropriations	FY10-FY14 Cash Flow
Pipeline Infrastructure Renewals	97.5	88.7
Raw Water Infrastructure Improvements	52.8	58.8
Service Lateral Replacements – Polybutylene	50.7	55.7
New Service Installations	47.7	44.2
Pumping Plant Rehabilitation	29.1	42.6
San Pablo Dam Seismic Modifications	0	37.4

The following table shows the appropriation by program strategy for capital improvements anticipated for the next five years. Each program strategy is discussed in detail in Volume 2.

**WATER SYSTEM  
APPROPRIATIONS BY STRATEGY**  
(\$Millions)

<b>Strategy</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Total</b>
Extensions/Improvements	31.7	45.3	55.9	29.7	26.7	189.3
Facilities, Services & Equip.	4.1	3.2	13.2	11.5	7.7	39.7
Maintaining Infrastructure	68.7	76.7	79.4	69.9	72.4	367.1
Regulatory Compliance	0.2	1.4	0.4	2.0	0.0	4.1
Resource Management	0.2	2.9	0.6	0.1	0.2	4.0
Water Quality	9.6	0.5	3.2	3.5	1.3	18.0
Water Supply	18.3	5.0	38.1	30.7	16.4	108.5
Non-Program Specific	12.8	7.9	2.0	2.0	2.0	26.7
Admin & General Expenses	<u>30.0</u>	<u>30.0</u>	<u>30.0</u>	<u>30.0</u>	<u>30.0</u>	<u>150.0</u>
<b>Total Water System</b>	<b>175.6</b>	<b>172.9</b>	<b>222.8</b>	<b>179.4</b>	<b>156.7</b>	<b>907.4</b>

The following table shows the cash flow spending on capital improvements anticipated for the next five years, along with the financial resources anticipated to fund the capital program.

### WATER SYSTEM CAPITAL SUMMARY

(\$Millions)

	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>Totals</u>
<b>Beginning construction fund balance</b>	30.8	1.3	-0.9	0.7	1.2	-
<b>Resources:</b>						
New bond issues and commercial paper	105.0	75.0	73.0	60.0	65.0	378.0
Grants	1.6	3.4	15.5	15.2	3.7	39.4
Capital reimbursements/other	13.8	11.5	22.7	20.2	18.3	86.5
Transfer from operating	46.3	55.7	64.1	75.3	87.5	328.9
<b>Total resources</b>	<b>166.7</b>	<b>145.6</b>	<b>175.3</b>	<b>170.7</b>	<b>174.5</b>	<b>832.8</b>
<b>Expenditures:</b>						
Capital improvements	166.2	117.8	143.7	140.2	143.3	711.2
A & G expense	<u>30.0</u>	<u>30.0</u>	<u>30.0</u>	<u>30.0</u>	<u>30.0</u>	<u>150.0</u>
<b>Total expenditures</b>	<b>196.2</b>	<b>147.8</b>	<b>173.7</b>	<b>170.2</b>	<b>173.3</b>	<b>861.2</b>
<b>Ending construction fund balance</b>	<b>1.3</b>	<b>-0.9</b>	<b>0.7</b>	<b>1.2</b>	<b>2.4</b>	<b>-</b>
<b>Debt - percentage of funding</b>	<b>69%</b>	<b>52%</b>	<b>41%</b>	<b>35%</b>	<b>37%</b>	<b>47%*</b>

\*Average for five-year period

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## WASTEWATER SYSTEM

The Wastewater System treats wastewater flows and operates wet weather facilities and is funded primarily from charges collected on the water bill to the various dischargers into the system. The mandated Wet Weather program captures and treats storm flows that enter the sewer system. Wet Weather debt service is funded from the Wet Weather Facilities Charge which, while not a tax, is imposed upon property owners and collected on property tax bills. The Resource Recovery program treats trucked waste brought to the Main Wastewater Treatment Plant and is funded by treatment charges billed to the waste haulers.

FY10 revenue from Treatment charges collected on the water service bill is projected to increase by \$1.7 million or 3.6% to \$48.8 million from the FY09 budgeted amount of \$47.1 million. FY10 revenue from the Resource Recovery program is projected to increase \$2.0M or 40.0% to \$7.0 million from the FY09 budgeted amount of \$5.0 million. The FY09 projected actual treatment revenue is \$46.5 million due to lower than budgeted sewer flows. FY11 projected revenues from Treatment charges will increase by 5.1% to \$51.3 million. For FY12 through FY14, revenues from Treatment charges are projected to increase approximately 4.7% per year. Revenue from the Wet Weather Facilities Charge is estimated at \$15.2 million for FY10 and \$15.9 million for FY11. For FY12 through FY14, revenue from the Wet Weather Facilities Charge is projected to increase 4.7% per year.

The Wastewater System Five-Year Financial Forecast is:

**WASTEWATER SYSTEM  
(COMBINED DRY AND WET WEATHER PROGRAMS)  
FIVE-YEAR FINANCIAL FORECAST  
(\$Millions)**

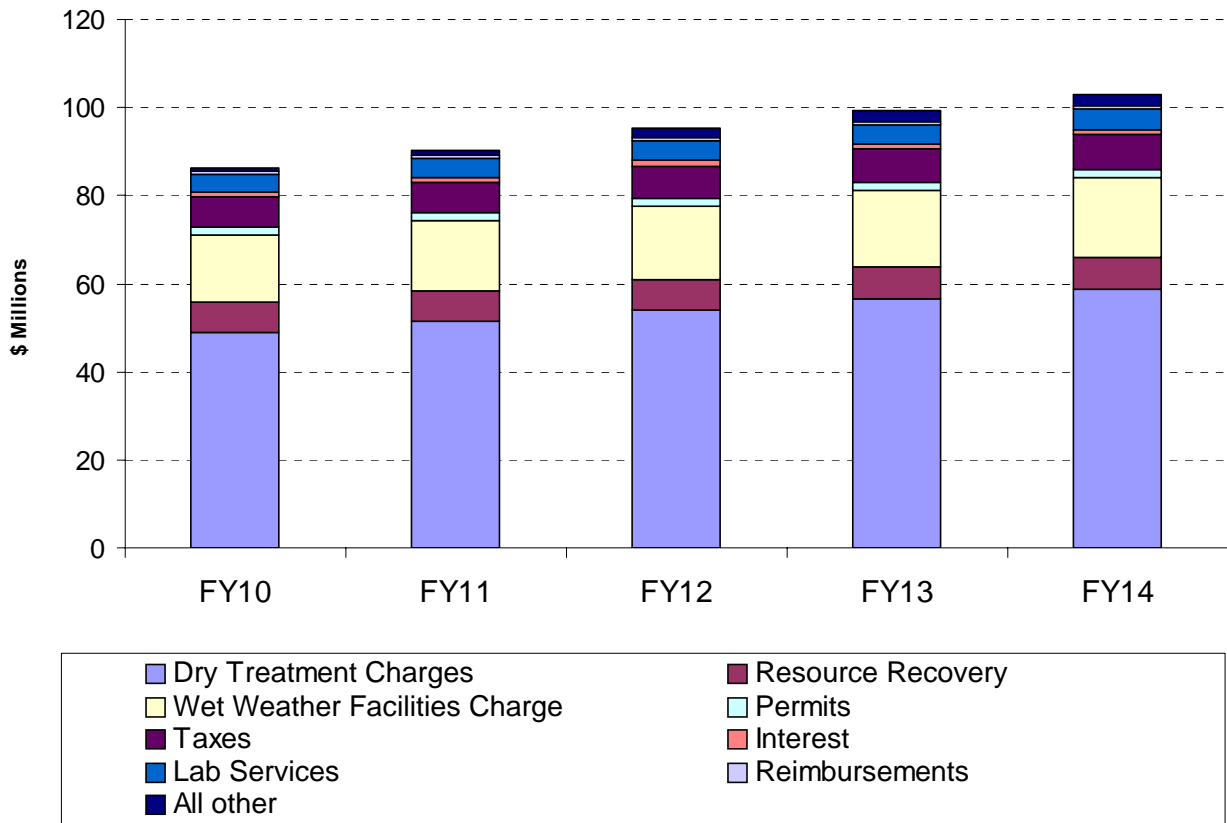
	Actual FY08	Budget FY09	Forecast				
			FY10	FY11	FY12	FY13	FY14
<b>Operating Revenues</b>							
Treatment charges	44.9	47.1	48.8	51.3	53.9	56.7	58.9
Resource Recovery	7.0	5.0	7.0	7.0	7.0	7.0	7.0
Wet Weather Facilities Charge	13.7	14.4	15.2	15.9	16.7	17.5	18.2
Permits	1.7	1.7	1.8	1.8	1.9	1.9	2.0
Taxes	7.1	6.8	6.8	7.0	7.3	7.5	7.7
Interest	2.6	1.4	1.3	1.2	1.2	1.2	1.2
Lab services	4.1	4.1	4.1	4.2	4.3	4.4	4.6
Reimbursements and other	1.4	1.3	1.4	2.0	3.1	3.1	3.2
<b>Total</b>	<b>82.5</b>	<b>81.8</b>	<b>86.4</b>	<b>90.4</b>	<b>95.4</b>	<b>99.3</b>	<b>102.8</b>
Operations & maintenance expenses	(48.8)	(51.8)	(52.9)	(55.2)	(57.3)	(59.1)	(60.9)
Debt service	(25.4)	(27.4)	(28.3)	(30.6)	(30.8)	(32.0)	(33.1)
Revenue funded capital	(0.7)	(3.0)	(23.5)	(6.3)	(6.7)	(7.6)	(8.3)
Debt service coverage	1.7	1.6	1.7	1.6	1.6	1.6	1.6
Net change	7.6	(0.4)	(18.3)	(1.7)	0.6	0.6	0.5
Ending reserve balance	39.2	38.8	20.5	18.8	19.4	20.0	20.5
Target reserve balance	17.2	17.7	18.1	18.8	19.4	20.0	20.5
Capital cash flow	33.2	39.2	35.8	37.1	38.2	26.8	24.8
% Debt funded	90%	71%	27%	76%	75%	61%	55%
% Rate Increase			5.0%	5.0%	5.0%	5.0%	4.0%



### Wastewater System Revenues

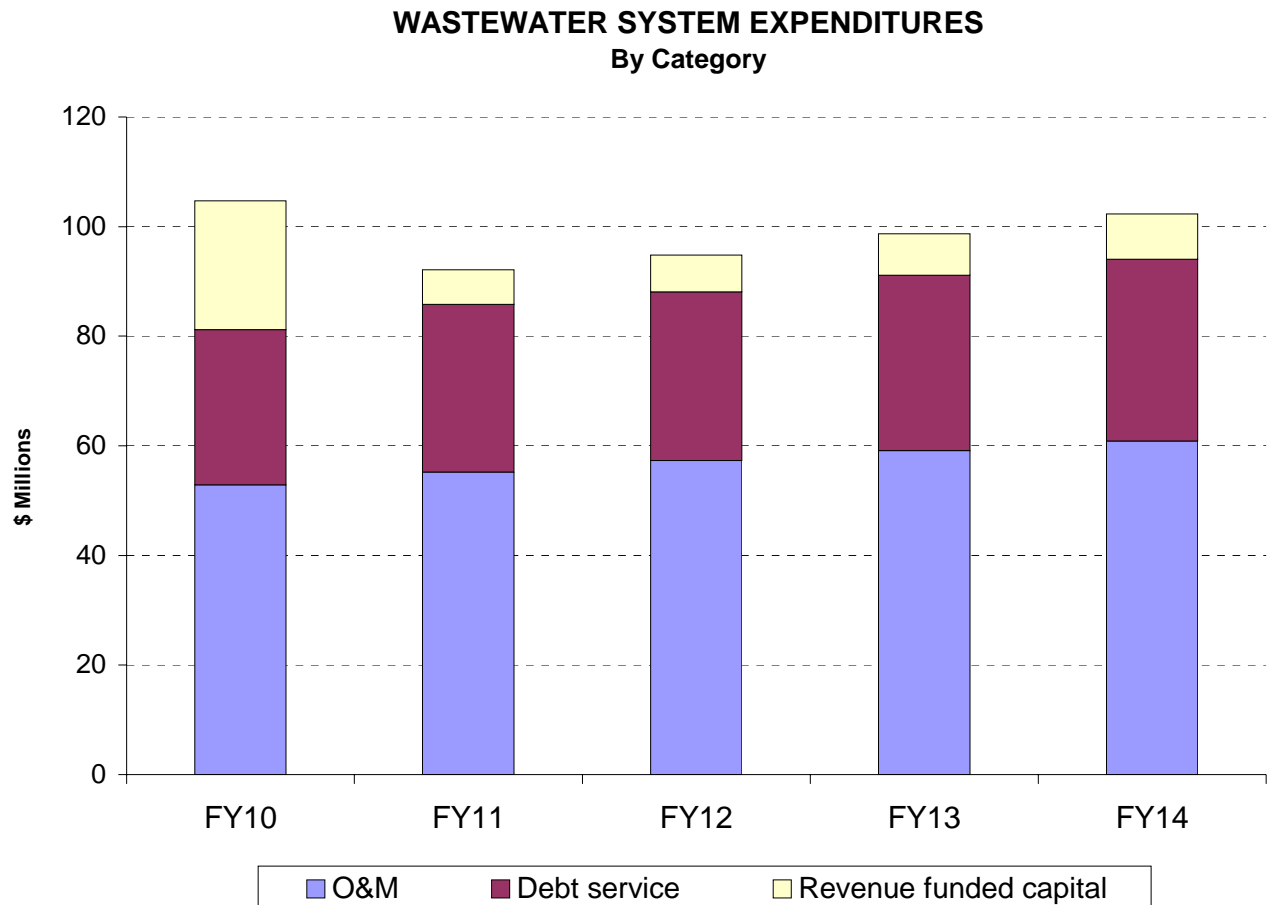
From FY10 to FY14, Wastewater System revenues are projected to increase from \$86.4 million to \$102.8 million. Treatment revenues are projected to increase by \$10.1 million; Wet Weather Facilities Charge revenues are projected to increase by \$3.0 million; and revenues from permits and lab reimbursements are projected to increase slightly. Other revenue is projected to increase by \$1.8 million due to renewable energy sales resulting from the expansion of the Power Generation System in FY10.

**WASTEWATER SYSTEM REVENUES**  
By Category



### Wastewater System Expenditures

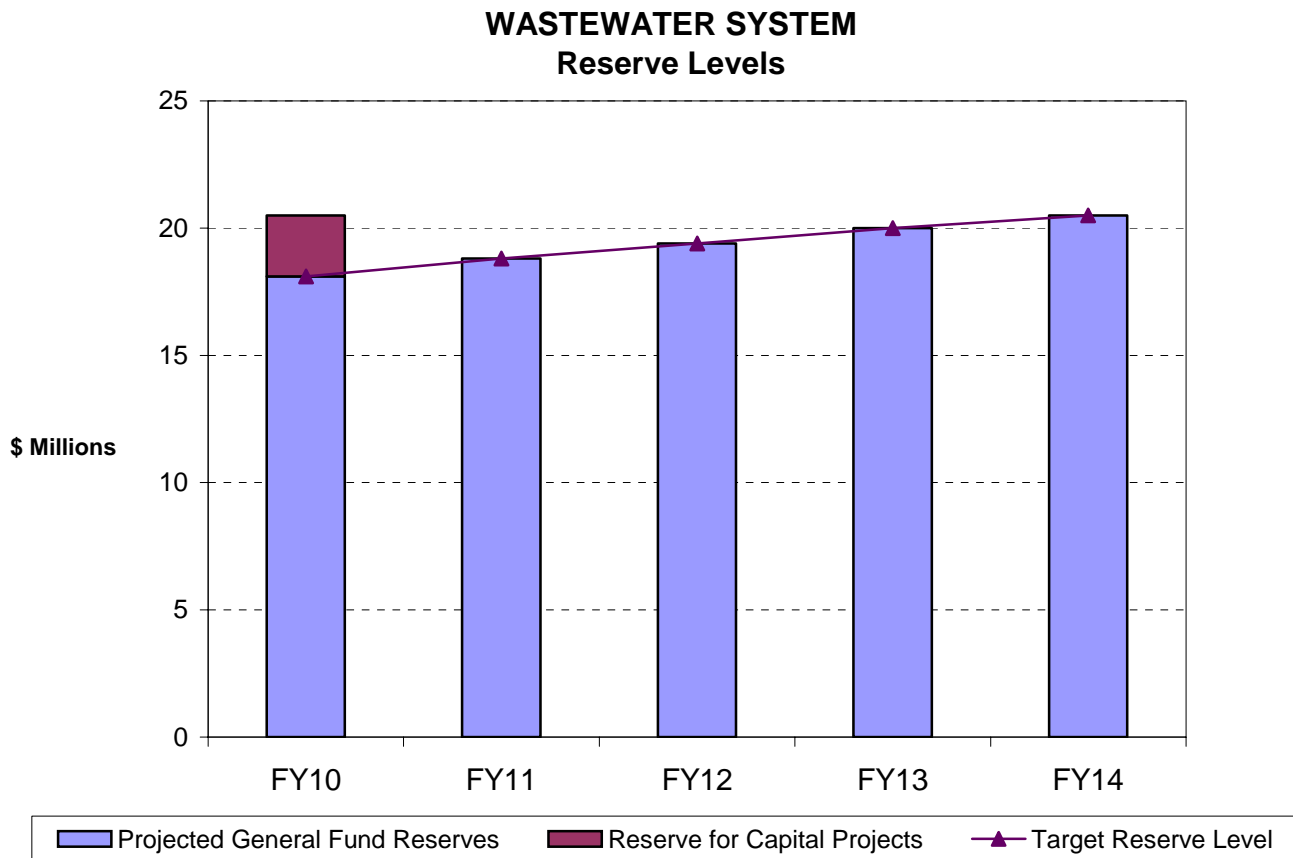
This chart summarizes projected Wastewater System expenditures for the next five years.



The Wastewater System operations and maintenance (O&M) expenses are projected to increase from \$52.9 million in FY10 to \$60.9 million in FY14, a 3.6% annual increase. In addition to increases in O&M expenses, debt service requirements are expected to increase from \$28.3 million in FY10 to \$33.1 million by FY14.

### Wastewater System Reserve Levels

The following is a chart showing Wastewater System reserve levels projected at the end of each of the next five years. Ending reserves are being reduced to the target level by cash funding more of the capital program in FY10.



Similar to the Water System, components of the Wastewater System reserve levels are defined as:

- Working capital reserves equal to three months operating and maintenance expenses
- Self insurance reserves at 1.25 times the expected annual expenditures
- Workers' compensation reserves of \$0.6 million in FY10 and \$0.6 million in FY11
- Contingency/rate stabilization reserve of 5% of operating and maintenance expenses.

The table below shows the changes to reserve components over the five-year period. The amounts in excess of the General Fund reserves are used to fund the capital program and are held in a reserve for capital projects.

### WASTEWATER SYSTEM RESERVE COMPONENTS

(\$Millions)

RESERVE COMPONENTS	Projected				
	FY10	FY11	FY12	FY13	FY14
Working capital	13.2	13.8	14.3	14.8	15.2
Self insurance reserve	1.7	1.7	1.7	1.7	1.7
Workers' compensation reserves	0.6	0.6	0.6	0.6	0.6
Contingency and rate stabilization	2.6	2.7	2.8	2.9	3.0
Projected general fund reserves	20.5	18.8	19.4	20.0	20.5
Target reserves	18.1	18.8	19.4	20.0	20.5
Reserve for capital projects	2.4	0.0	0.0	0.0	0.0

#### Wastewater System Capital Program

The FY10-FY14 Capital Improvement Program for the Wastewater System includes \$167.8 million in capital project appropriations, including administrative and general expenses, and \$162.7 million in projected cash flow spending, including administrative and general expenses.

Major treatment facility improvements include digester upgrades, Power Generation Station Expansion, Concrete Rehabilitation at SD1 and the Infiltration/Inflow Control project.

#### Debt Requirements

Over the five-year period, 59% of capital expenditures will be debt funded. Total debt for the Wastewater System will increase from \$375 million at the beginning of FY10 to \$400 million by the end of FY14. The projected amount of outstanding debt, including State low interest loans and commercial paper for fiscal years FY10 to FY14 is shown on the following page.

**WASTEWATER SYSTEM  
DEBT OUTSTANDING AND DEBT SERVICE AT END OF FISCAL YEAR**

(\$Millions)

	Forecast				
	FY10	FY11	FY12	FY13	FY14
Beginning of year outstanding debt	375	367	380	396	399
Debt retired	(13)	(14)	(13)	(13)	(14)
New bond issues and commercial paper	<u>5</u>	<u>27</u>	<u>29</u>	<u>16</u>	<u>15</u>
<b>Total outstanding debt</b>	<b>367</b>	<b>380</b>	<b>396</b>	<b>399</b>	<b>400</b>
Debt service:					
Bonds	23.2	25.4	27.3	28.5	29.6
Loans	5.5	5.5	3.7	3.7	3.7
Commercial paper	0.3	0.5	0.5	0.5	0.5
Debt service reimbursement	<u>(0.7)</u>	<u>(0.7)</u>	<u>(0.7)</u>	<u>(0.7)</u>	<u>(0.7)</u>
<b>Total debt service</b>	<b>28.3</b>	<b>30.6</b>	<b>30.8</b>	<b>32.0</b>	<b>33.1</b>

Some of the major capital improvement projects for the Wastewater System are as follows:

(\$Millions)

Project	FY10-FY14 Appropriations	FY10-FY14 Cash Flow
Digester Upgrades	12.0	43.4
PGS Expansion	0.0	26.5
Infiltration/Inflow Control Project	21.5	21.5

This chart summarizes capital appropriations by program strategy for the next five years. Each program strategy is discussed in detail in Volume 2.

**WASTEWATER SYSTEM  
APPROPRIATIONS BY STRATEGY**  
(\$Millions)

Strategy	FY10	FY11	FY12	FY13	FY14	Total
Maintaining Infrastructure	39.8	12.4	11.0	22.0	33.4	118.5
Regulatory Compliance	10.8	0.0	10.2	6.1	2.3	29.4
Non-Program Specific	2.5	1.0	1.0	1.0	1.0	6.5
Admin & General Expenses	<u>2.8</u>	<u>2.8</u>	<u>2.6</u>	<u>2.6</u>	<u>2.6</u>	<u>13.4</u>
<b>Total Wastewater System</b>	<b>55.9</b>	<b>16.2</b>	<b>24.8</b>	<b>31.7</b>	<b>39.3</b>	<b>167.8</b>

The following table shows the cash flow spending on capital improvements anticipated for the next five years, along with the financial resources anticipated to fund the capital program.

**WASTEWATER SYSTEM CAPITAL SUMMARY**  
(\$Millions)

	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>Totals</u>
<b>Beginning construction fund balance</b>	6.4	1.9	0.9	1.2	0.8	-
<b>Resources:</b>						
Equipment replacement fund	2.8	2.8	2.8	2.8	2.8	14.0
New bond issues	5.0	27.0	29.0	16.0	15.0	92.0
Loan proceeds	0.0	0.0	0.0	0.0	0.0	0.0
Reimbursements	0.0	0.0	0.0	0.0	0.0	0.0
Transfers from operating	<u>23.5</u>	<u>6.3</u>	<u>6.7</u>	<u>7.6</u>	<u>8.3</u>	<u>52.4</u>
<b>Total resources</b>	<b>31.3</b>	<b>36.1</b>	<b>38.5</b>	<b>26.4</b>	<b>26.1</b>	<b>158.4</b>
<b>Expenditures:</b>						
Capital improvements	33.0	34.3	35.6	24.2	22.2	149.3
A & G expense	<u>2.8</u>	<u>2.8</u>	<u>2.6</u>	<u>2.6</u>	<u>2.6</u>	<u>13.4</u>
<b>Total expenditures</b>	<b>35.8</b>	<b>37.1</b>	<b>38.2</b>	<b>26.8</b>	<b>24.8</b>	<b>162.7</b>
<b>Ending construction fund balance</b>	<b>1.9</b>	<b>0.9</b>	<b>1.2</b>	<b>0.8</b>	<b>2.1</b>	<b>-</b>
<b>Debt - percentage of funding</b>	<b>27%</b>	<b>76%</b>	<b>75%</b>	<b>61%</b>	<b>55%</b>	<b>59%*</b>

\*Average for five-year period







## Chapter 1.4 - DEPARTMENTS

The nationwide economic crisis, the California drought, and some EBMUD-specific revenue and cost elements created a challenge to establish a budget which maintains a high level of service for customers while achieving a reasonable rate increase. This economic downturn coupled with customers' response for water conservation negatively impacted revenue projections. As a result, the District employed several different strategies to balance the budget given anticipated cost increases in FY10-FY11. All departments were asked to do everything possible to reduce or defer expenditures. In addition, EBMUD implemented a hiring freeze with limited exceptions for operational necessity.

The FY10 Water and Wastewater Systems combined operating budget for the departments is \$303.0 million. The FY10 operating budget for the departments increased by \$0.5 million or 0.2% above FY09. In FY10, major cost drivers placing upward pressure on the budget include:

- Chemical costs represent the largest component increase of \$2.9 million. Of this increase, \$1.2 million is attributed to the Wastewater Department.
- Self-insured liability claims represent an increase of \$2.1 million to budget these expenditures consistent with prior years' expense trends.
- The cost of employee benefits is anticipated to increase \$1.2 million. Employee benefit costs are increasing as a result of a change in the benefits rate from 54.0% to 55.0% for the Water System and from 52.0% to 53.3% for the Wastewater System. This escalation in the benefits rate reflects the increasing cost of health care and the retirement system.

Planned reductions of \$8.7 million offset these anticipated cost increases. These offsets are realized by the deferral of discretionary expenses, operational efficiencies and reductions in contract related services. Examples of these offset reductions include non-mandatory training, travel, computer replacements, non-ergonomic furniture, equipment, memberships, professional service contracts, reducing the overall fleet size and deferral of vehicle replacements during the next two years.

In addition to these planned reductions by Departments, savings from the hiring freeze are based upon projected vacancies District-wide due to attrition. These savings are shown at the bottom-line of the operating budget for both FY10 and FY11 versus at the department level (refer to the table shown on page 1.1-3 entitled FY10-FY11 Operating Budget Department Summary). Therefore, they are not reflected in the department comparisons of personnel costs for FY10 and FY11 shown on the following pages.

The FY11 Water and Wastewater Systems combined operating budget for the departments is \$312.2 million, an increase of \$9.2 million or 3.0% over the FY10 budget. The major cost drivers in FY11 are:

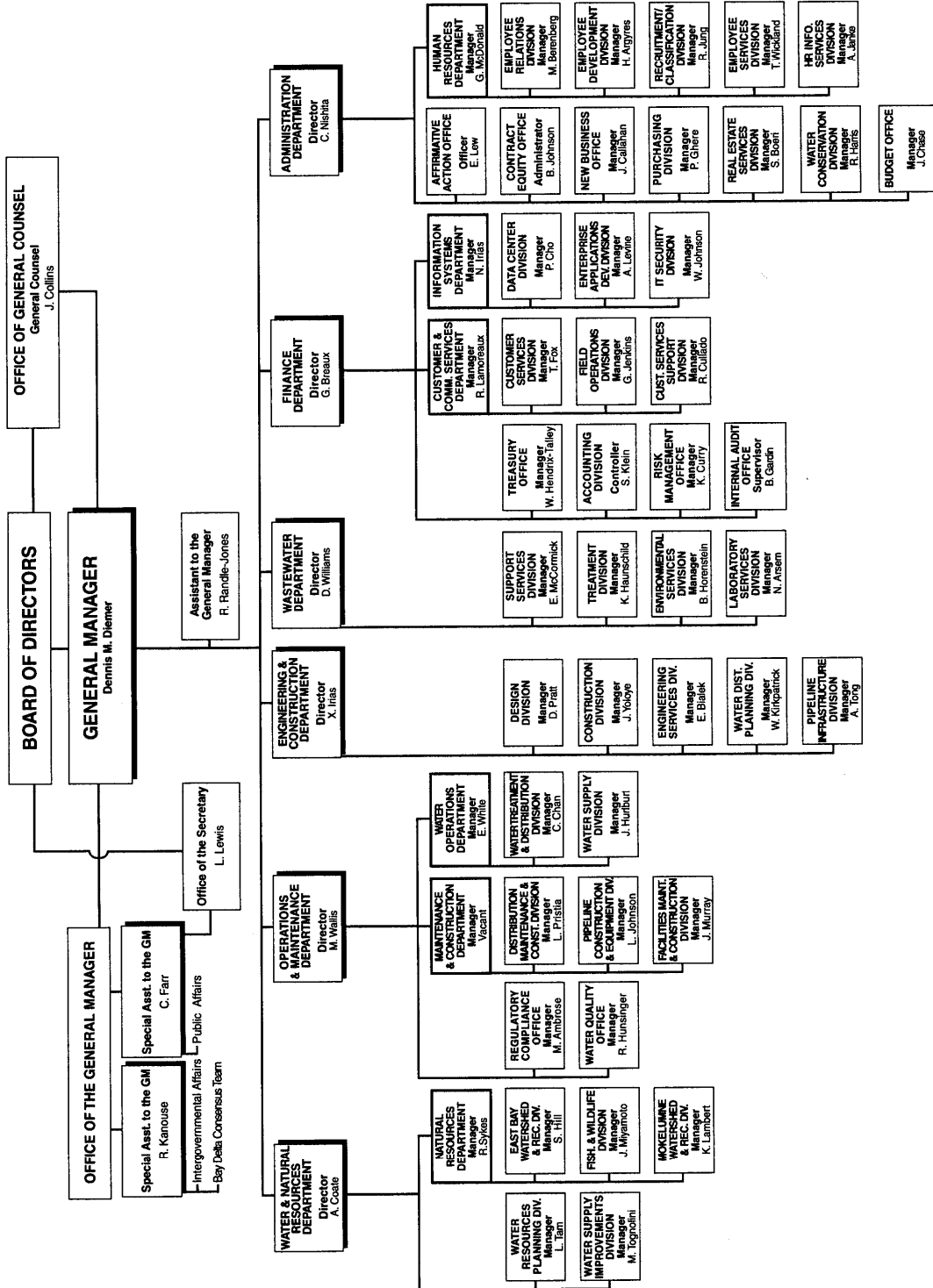
- The largest component increase is employee benefits for \$3.7 million. The increase is a result of a 3.1% change in the benefits rate for the Water System (from 55.0% to 58.1%) and a 2.4% increase in the benefits rate for Wastewater (from 53.3% to 55.7%). As in FY10, the benefits rate change is attributable to increasing health care and retirement system costs.
- Anticipated chemical costs represent an additional \$1.4 million increase.
- Additional labor costs of \$1.5 million for scheduled step increases.
- License and fee increases totaling \$0.6 million. Of this increase, \$0.4 million is attributed to Board election fees charged by the counties to participate in the ballot process.
- Energy costs of \$0.5 million are anticipated to be higher for the Water System.

- Other operating cost increases of \$0.8 million are attributable to: overhead reimbursements from Wastewater to the Water System (\$0.2 million), Wastewater residuals and biosolids disposal (\$0.2 million), computer replacements (\$0.2 million) and Proposition 218 mailing costs (\$0.2 million).

An additional \$0.7 million in planned reductions is realized for discretionary expenses, similar to the FY10 strategies mentioned above, including operating efficiencies from continuing reductions in the fleet size, and the increase in use of renewable energy sources being produced from waste materials.

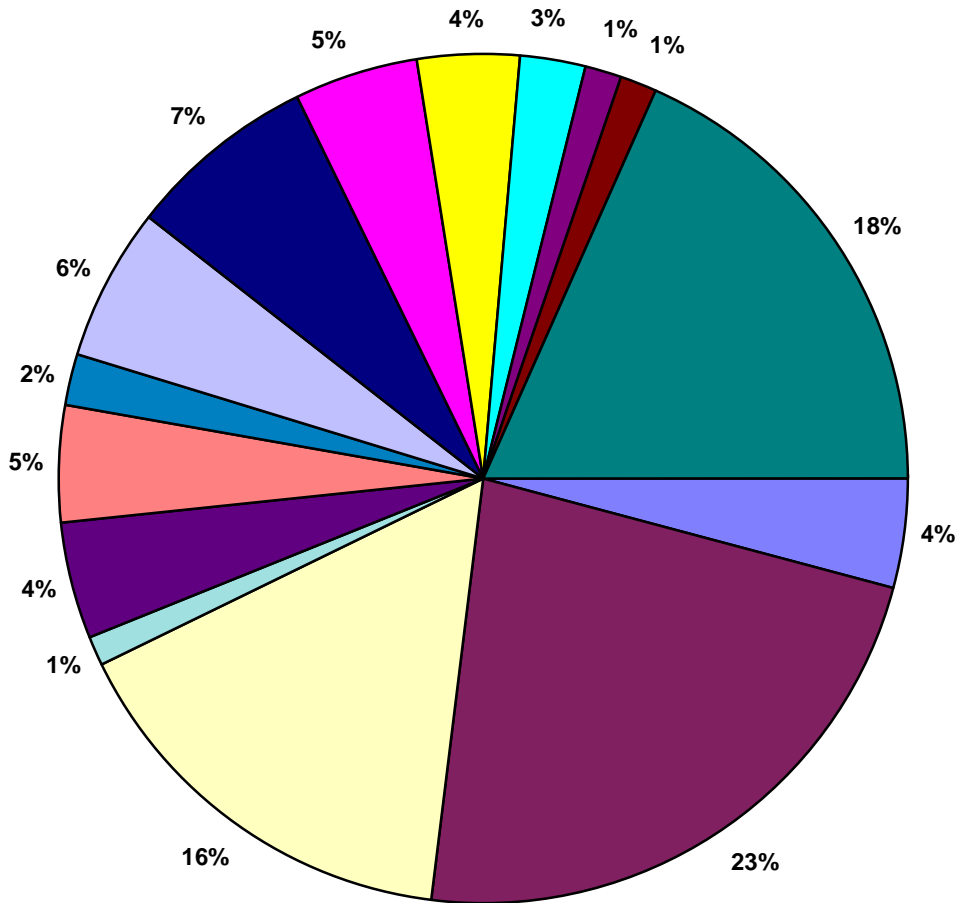
The following section summarizes the mission statement, services, operating budget including discussion of significant variances and staffing (refer to Chapter 1.5 for staffing changes) for 15 departments District-wide. The budgets for the departments exclude District-wide expenses such as debt service, contingency funds for unplanned expenditures, and accounting offsets such as the administration of capital. A summary comparing the FY10-FY11 budget to the FY09 amended budget is contained in Chapter 1.1.

**EAST BAY MUNICIPAL UTILITY DISTRICT**  
**ORGANIZATION CHART**  
 July 2008



The chart below illustrates each department's percentage of the \$303.0 million FY10 operating budget.

**FY10 OPERATING BUDGET**



- a. Operations & Maintenance - 4%
- b. Maintenance & Construction - 23%
- c. Water Operations - 16%
- d. Water Resources - 1%
- e. Natural Resources - 4%
- f. Engineering & Construction - 5%
- g. Office of General Manager - 2%
- h. Finance - 6%
- i. Information Systems - 7%
- j. Customer & Community Services - 5%
- k. Administration - 4%
- l. Human Resources - 3%
- m. Office of General Counsel - 1%
- n. Water Recycling Program - 1%
- o. Wastewater - 18%

## OPERATIONS AND MAINTENANCE SUPPORT DEPARTMENT

### MISSION

Operate and maintain, manage and improve the water system infrastructure, processes and assets.

### DESCRIPTION OF SERVICES PROVIDED

The Operations and Maintenance Support Department (OSD) consists of two divisions, the Administration Support Division which provides administrative support, management and direction for the Operations and Maintenance Group, which also includes the Maintenance and Construction Department and the Water Operations Department. In addition it is responsible for the District's Water Quality Program. The Regulatory Compliance Office provides security services, regulatory compliance guidance and assistance, emergency preparedness support along with workplace health and safety training and support to the entire District.

### OPERATING BUDGET SUMMARY

A comparison of the department's operating budget is shown in the chart below.

Category \$000's	FY09 Amended Budget	FY09 Oblig vs Bud at 50% of yr	FY10 Adopted Budget	FY10 vs FY09	FY11 Adopted Budget	FY11 vs FY10
<b>Personnel Costs</b>	5,862	43.9%	5,481	-6.5%	5,340	-2.6%
<b>Contract Services</b>	3,155	48.5%	2,890	-8.4%	3,001	3.8%
<b>All Other Costs</b>	4,483	45.0%	4,527	1.0%	4,604	1.7%
<b>TOTAL</b>	<b>13,500</b>	<b>46.3%</b>	<b>12,900</b>	<b>-4.4%</b>	<b>12,946</b>	<b>0.4%</b>

**STAFFING SUMMARY**

The chart below describes the adopted staffing of the Department.

Position Type	FY09 Staffing	FY10 Adopted Staffing	FY10 vs FY09	FY11 Adopted Staffing	FY11 vs FY10
Full Time	35.0	35.0	0.0	35.0	0.0
Limited Term/Temp Const	4.0	4.0	0.0	4.0	0.0
Temporary/Part-Time/Intermittent	0.0	0.0	0.0	0.0	0.0
<b>TOTAL POSITIONS</b>	<b>39.0</b>	<b>39.0</b>	<b>0.0</b>	<b>39.0</b>	<b>0.0</b>
<b>TOTAL FTE</b>	<b>39.0</b>	<b>39.0</b>	<b>0.0</b>	<b>39.0</b>	<b>0.0</b>

## MAINTENANCE AND CONSTRUCTION DEPARTMENT

### MISSION

Operate and maintain, manage and improve the water system infrastructure, processes and assets.

### DESCRIPTION OF SERVICES PROVIDED

The Maintenance and Construction Department (MCD) consists of four divisions: Distribution Maintenance and Construction, Pipeline Construction and Equipment, Facilities Maintenance and Construction, and Maintenance Operations Division. The department provides support, maintenance, replacement, and installation of the distribution, water treatment and support infrastructure and facilities located throughout the Water System. This support includes installing new and replacement pipelines, repairing leaks, replacing meters and pipeline appurtenances, maintaining and repairing District facilities, vehicle and equipment maintenance and replacement, and asset identification and management.

### OPERATING BUDGET SUMMARY

A comparison of the department's operating budget is shown in the chart below.

Category \$000's	FY09 Amended Budget	FY09 Oblig vs Bud at 50% of yr	FY10 Adopted Budget	FY10 vs FY09	FY11 Adopted Budget	FY11 vs FY10
Personnel Costs	47,824	49.1%	49,293	3.1%	50,924	3.3%
Contract Services	2,455	37.9%	2,240	-8.8%	2,219	-0.9%
All Other Costs	17,735	49.6%	17,501	-1.3%	17,825	1.9%
<b>TOTAL</b>	<b>68,014</b>	<b>48.9%</b>	<b>69,034</b>	<b>1.5%</b>	<b>70,968</b>	<b>2.8%</b>

**STAFFING SUMMARY**

The chart below describes the adopted staffing of the department.

Position Type	FY09 Staffing	FY10 Adopted Staffing	FY10 vs FY09	FY11 Adopted Staffing	FY11 vs FY10
Full Time	643.0	643.0	0.0	643.0	0.0
Limited Term/Temp Const	15.0	15.0	0.0	15.0	0.0
Temporary/Part-Time/Intermittent	4.0	4.0	0.0	4.0	0.0
<b>TOTAL POSITIONS</b>	<b>662.0</b>	<b>662.0</b>	<b>0.0</b>	<b>662.0</b>	<b>0.0</b>
<b>TOTAL FTE</b>	<b>660.0</b>	<b>660.0</b>	<b>0.0</b>	<b>660.0</b>	<b>0.0</b>



## WATER OPERATIONS DEPARTMENT

### MISSION

Operate and maintain, manage and improve the water system infrastructure, processes and assets.

### DESCRIPTION OF SERVICES PROVIDED

The Water Operations Department (WOD) consists of the Water Supply Division and the Water Treatment and Distribution Division. The department is responsible for the operation of the water treatment and distribution facilities in the East Bay, the investigation of water quality, pressure and flow inquiries, and implementing a comprehensive energy management program. Upcountry the department is responsible for monitoring and maintaining the Pardee and Camanche reservoirs, raw water aqueducts, maintenance of the recreation areas, and hydropower production.

### OPERATING BUDGET SUMMARY

A comparison of the department's operating budget is shown in the chart below.

Category \$000's	FY09 Amended Budget	FY09 Oblig vs Bud at 50% of yr	FY10 Adopted Budget	FY10 vs FY09	FY11 Adopted Budget	FY11 vs FY10
Personnel Costs	25,076	45.9%	25,042	-0.1%	25,567	2.1%
Contract Services	969	25.0%	904	-6.7%	1,006	11.3%
All Other Costs	18,948	57.3%	21,954	15.9%	23,328	6.3%
<b>TOTAL</b>	<b>44,993</b>	<b>50.2%</b>	<b>47,900</b>	<b>6.5%</b>	<b>49,901</b>	<b>4.2%</b>

The department's FY10 budget for All Other Costs is \$3,000,000 or 15.9% higher than FY09 primarily due to escalating chemical costs (\$1,300,000), baseline ongoing operating costs for the Freeport Regional Water Project (\$1,200,000), and an increase in energy expenses (\$780,000).

In FY11, Contract Services is increasing \$102,000 or 11.3% primarily due to new costs to maintain the Folsom South Canal Connection (FSCC) facility (\$175,000) such as HVAC and high voltage electrical.

**STAFFING SUMMARY**

The chart below describes the adopted staffing of the department.

Position Type	FY09 Staffing	FY10 Adopted Staffing	FY10 vs FY09	FY11 Adopted Staffing	FY11 vs FY10
Full Time	193.0	193.0	0.0	193.0	0.0
Limited Term/Temp Const	1.0	1.0	0.0	1.0	0.0
Temporary/Part-Time/Intermittent	5.0	5.0	0.0	5.0	0.0
<b>TOTAL POSITIONS</b>	<b>199.0</b>	<b>199.0</b>	<b>0.0</b>	<b>199.0</b>	<b>0.0</b>
<b>TOTAL FTE</b>	<b>196.5</b>	<b>196.5</b>	<b>0.0</b>	<b>196.5</b>	<b>0.0</b>

## WATER RESOURCES DEPARTMENT

### MISSION

The Water Resources Department develops the plans, policies and programs necessary to protect existing District water rights and entitlements, to develop additional high quality water supplies to meet future needs, and to assure the availability of adequate physical facilities to meet those needs.

### DESCRIPTION OF SERVICES PROVIDED

The Water Resources Department (WRD) is comprised of two divisions, the Water Resources Planning Division and the Water Supply Improvements Division. The Water Resources Planning Division is responsible for protecting current water rights and developing additional water rights as necessary to meet future needs. The Water Supply Improvements Division is responsible for providing the planning, permitting and CEQA compliance for supplemental water supply projects needed to meet current and future needs.

### OPERATING BUDGET SUMMARY

A comparison of the department's operating budget is shown in the chart below.

Category \$000's	FY09 Amended Budget	FY09 Oblig vs Bud at 50% of yr	FY10 Adopted Budget	FY10 vs FY09	FY11 Adopted Budget	FY11 vs FY10
Personnel Costs	3,015	46.7%	3,016	0.0%	3,247	7.7%
Contract Services	722	82.6%	260	-64.0%	120	-53.8%
All Other Costs	797	80.9%	261	-67.3%	262	0.4%
<b>TOTAL</b>	<b>4,534</b>	<b>58.5%</b>	<b>3,537</b>	<b>-22.0%</b>	<b>3,629</b>	<b>2.6%</b>

The department's FY10 budget is \$188,000 (64.0%) lower in Contract Services and \$536,000 (67.3%) less in All Other Costs compared to the FY09 budget. The reduction in Contract Services reflects a lower expected need for external professional services to support protection of the District's water rights. The reduction in All Other Costs is due to the decision to allow the interest on the District's share of Central Valley Project (CVP) costs to accrue for payment by the District in the future.

The department's FY11 operating budget is decreasing \$140,000 (53.8%) in Contract Services. This reflects the continued reduction in the need for professional services to protect the District's water rights.

**STAFFING SUMMARY**

The chart below describes the adopted staffing of the department.

Position Type	FY09 Staffing	FY10 Adopted Staffing	FY10 vs FY09	FY11 Adopted Staffing	FY11 vs FY10
Full Time	39.0	39.0	0.0	39.0	0.0
Limited Term/Temp Const	5.0	5.0	0.0	5.0	0.0
Temporary/Part-Time/Intermittent	0.0	0.0	0.0	0.0	0.0
<b>TOTAL POSITIONS</b>	<b>44.0</b>	<b>44.0</b>	<b>0.0</b>	<b>44.0</b>	<b>0.0</b>
<b>TOTAL FTE</b>	<b>44.0</b>	<b>44.0</b>	<b>0.0</b>	<b>44.0</b>	<b>0.0</b>

## NATURAL RESOURCES DEPARTMENT

### MISSION

The mission of the Natural Resources Department is the management of watershed and recreation lands and facilities; to protect, maintain and enhance for generations to come the high quality water supply; to provide good stewardship of the natural resources with which the District is entrusted; and, to provide environmental leadership within the EBMUD community.

### DESCRIPTION OF SERVICES PROVIDED

The Natural Resources Department (NRD) consists of three divisions, the East Bay Watershed and Recreation Division, the Mokelumne Watershed and Recreation Division, and the Fisheries and Wildlife Division. The department manages and protects the local and upcountry watersheds including overseeing environmental and recreation programs. The department also develops and maintains the scientific information necessary to manage the District's watershed and recreation lands and facilities, and the Lower Mokelumne River fishery.

### OPERATING BUDGET SUMMARY

A comparison of the department's operating budget is shown in the chart below.

Category \$000's	FY09 Amended Budget	FY09 Oblig vs Bud at 50% of yr	FY10 Adopted Budget	FY10 vs FY09	FY11 Adopted Budget	FY11 vs FY10
Personnel Costs	8,262	47.9%	8,114	-1.8%	8,314	2.5%
Contract Services	2,391	84.7%	2,377	-0.6%	2,417	1.7%
All Other Costs	2,436	40.8%	2,309	-5.2%	2,421	4.9%
<b>TOTAL</b>	<b>13,089</b>	<b>53.3%</b>	<b>12,800</b>	<b>-2.2%</b>	<b>13,152</b>	<b>2.8%</b>

**STAFFING SUMMARY**

The chart below describes the adopted staffing of the department.

Position Type	FY09 Staffing	FY10 Adopted Staffing	FY10 vs FY09	FY11 Adopted Staffing	FY11 vs FY10
Full Time	67.0	67.0	0.0	67.0	0.0
Limited Term/Temp Const	5.0	2.0	(3.0)	2.0	0.0
Temporary/Part-Time/Intermittent	0.0	3.0	3.0	3.0	0.0
<b>TOTAL POSITIONS</b>	<b>72.0</b>	<b>72.0</b>	<b>0.0</b>	<b>72.0</b>	<b>0.0</b>
<b>TOTAL FTE</b>	<b>72.0</b>	<b>70.5</b>	<b>(1.5)</b>	<b>70.5</b>	<b>0.0</b>

## ENGINEERING AND CONSTRUCTION DEPARTMENT

### MISSION

To implement the District's capital program, including infrastructure management, system expansions, recreational facilities and water supply, treatment and storage. Develop plans, policies and programs that assure the availability of adequate physical facilities to meet future water service needs. Provide leadership for technical innovation in engineering, research and development, management of difficult and complex technical programs and projects, and operational efficiency improvements.

### DESCRIPTION OF SERVICES PROVIDED

The Engineering and Construction Department consists of five divisions: Water Distribution Planning, Design, Pipeline Infrastructure, Engineering Services, and Construction. The department provides services necessary to maintain and expand the District's water treatment and water delivery system. Services include: planning, design, and construction management and inspection. Support services include: cost estimates, contract specifications, bid and award, survey, mapping, graphic design, hydraulic modeling and responding to the engineering service requests of operating departments.

### OPERATING BUDGET SUMMARY

A comparison of the department's operating budget is shown in the chart below.

Category \$000's	FY09 Amended Budget	FY09 Oblig vs Bud at 50% of yr	FY10 Adopted Budget	FY10 vs FY09	FY11 Adopted Budget	FY11 vs FY10
Personnel Costs	12,212	45.3%	12,884	5.5%	12,893	0.1%
Contract Services	219	23.7%	119	-45.7%	115	-3.4%
All Other Costs	1,151	70.2%	797	-30.8%	824	3.4%
<b>TOTAL</b>	<b>13,582</b>	<b>47.1%</b>	<b>13,800</b>	<b>1.6%</b>	<b>13,832</b>	<b>0.2%</b>

In FY10, the department's Contract Services are decreasing \$100,000 or 45.7% largely due to a reduction in contract labor associated with the deferral of non-ergonomic furniture purchases.

Also in FY10, All Other Costs are decreasing \$354,000 or 30.8% primarily due to the deferral of furniture purchases (\$163,000), the deferral of equipment purchases (\$128,000), and other miscellaneous deferrals and reductions identified in both years.

**STAFFING SUMMARY**

The chart below describes the adopted staffing of the department.

Position Type	FY09 Staffing	FY10 Adopted Staffing	FY10 vs FY09	FY11 Adopted Staffing	FY11 vs FY10
Full Time	236.0	236.0	0.0	236.0	0.0
Limited Term/Temp Const	20.0	20.0	0.0	20.0	0.0
Temporary/Part-Time/Intermittent	3.0	3.0	0.0	3.0	0.0
<b>TOTAL POSITIONS</b>	<b>259.0</b>	<b>259.0</b>	<b>0.0</b>	<b>259.0</b>	<b>0.0</b>
<b>TOTAL FTE</b>	<b>257.5</b>	<b>257.5</b>	<b>0.0</b>	<b>257.5</b>	<b>0.0</b>



## OFFICE OF THE GENERAL MANAGER

### MISSION

Enhance the understanding and support for District services by effectively communicating EBMUD's policies, priorities and plans to customers, employees, the public, the media, legislators, environmental organizations, and local, state, and federal stakeholders and decision-makers.

### DESCRIPTION OF SERVICES PROVIDED

The Office of the General Manager is composed of three work units. They are the Office of the General Manager, the Office of the GM - Governmental Affairs, and the Office of the GM - Communications. The Office of the General Manager provides several District-wide functions including: legislative and intergovernmental agency coordination; public and community education and outreach; support to the Board of Directors and District-wide records management.

### OPERATING BUDGET SUMMARY

A comparison of the department's operating budget is shown in the chart below.

Category \$000's	FY09 Amended Budget	FY09 Oblig vs Bud at 50% of yr	FY10 Adopted Budget	FY10 vs FY09	FY11 Adopted Budget	FY11 vs FY10
Personnel Costs	5,115	51.0%	4,722	-7.7%	4,840	2.5%
Contract Services	747	41.9%	231	-69.1%	231	0.0%
All Other Costs	1,824	38.9%	619	-66.1%	1,048	69.3%
<b>TOTAL</b>	<b>7,686</b>	<b>47.3%</b>	<b>5,572</b>	<b>-27.5%</b>	<b>6,119</b>	<b>9.8%</b>

The department's FY10 budget is \$516,000 (69.1%) lower in Contract Services and \$1,200,000 (66.1%) lower in All Other Costs as compared to FY09. Contract services were reduced by deferring work on customer opinion research, and publishing the Annual Report in-house. Costs in the All Other Costs category were reduced by discontinuing the printing of items such as employee publications, note cards and posters, and by reducing the amount spent on sponsorships. Additional reductions are planned for give-away items used at public events. The largest reduction from FY09 to FY10 was the Board Election Fees charged by the counties to participate in the ballot process because it occurs every other year.

The department's FY11 operating budget shows an increase of \$429,000 (69.3%) in the All Other Costs category. The increase is primarily for Board Election fees charged by the counties that occur every other year.

### STAFFING SUMMARY

The chart below describes the adopted staffing for the department.

Position Type	FY09 Staffing	FY10 Adopted Staffing	FY10 vs FY09	FY11 Adopted Staffing	FY11 vs FY10
Full Time	29.0	29.0	0.0	29.0	0.0
Limited Term/Temp Const	3.0	0.0	(3.0)	0.0	0.0
Temporary/Part-Time/Intermittent	1.0	1.0	0.0	1.0	0.0
<b>TOTAL POSITIONS</b>	<b>33.0</b>	<b>30.0</b>	<b>(3.0)</b>	<b>30.0</b>	<b>0.0</b>
<b>TOTAL FTE</b>	<b>32.5</b>	<b>29.5</b>	<b>(3.0)</b>	<b>29.5</b>	<b>0.0</b>

## FINANCE DEPARTMENT

### MISSION

To provide support, direction, and leadership which promotes and facilitates the success of the District's overall mission and efficiently utilize the District's financial resources while maintaining reasonable rates for our customers.

### DESCRIPTION OF SERVICES PROVIDED

The Finance Department provides fiscal management of the District's resources, accomplished through accounting for billing, payments and fiscal controls; coordinating workers compensation and risk management; and managing new and existing funding sources. There are four divisions in the Finance Department, including Treasury Operations, the Office of Internal Audit, the Accounting Division, and Risk Management.

### OPERATING BUDGET SUMMARY

A comparison of the department's operating budget is shown in the chart below.

Category \$000's	FY09 Amended Budget	FY09 Oblig vs Bud at 50% of yr	FY10 Adopted Budget	FY10 vs FY09	FY11 Adopted Budget	FY11 vs FY10
Personnel Costs	7,626	49.7%	7,598	-0.4%	7,904	4.0%
Contract Services	1,373	51.7%	951	-30.7%	971	2.1%
All Other Costs	7,250	84.9%	9,540	31.6%	9,548	0.1%
<b>TOTAL</b>	<b>16,249</b>	<b>65.6%</b>	<b>18,089</b>	<b>11.3%</b>	<b>18,423</b>	<b>1.8%</b>

The department's FY10 budget is \$422,000 or 30.7% lower in Contract Services primarily due to Retirement Administration contracts being paid by the Retirement System.

In FY10, the All Other Costs category is \$2,290,000 or 31.6% higher primarily due to an increase in self-insured liability claims (\$2,100,000) consistent with prior years' expense trends. The remaining \$190,000 is mainly attributed to an increase in workers' compensation claims based upon a five-year average of actual costs.

**STAFFING SUMMARY**

The chart below describes the adopted staffing of the department.

Position Type	FY09 Staffing	FY10 Adopted Staffing	FY10 vs FY09	FY11 Adopted Staffing	FY11 vs FY10
Full Time	57.0	57.0	0.0	57.0	0.0
Limited Term/Temp Const	0.0	0.0	0.0	0.0	0.0
Temporary/Part-Time/Intermittent	0.0	0.0	0.0	0.0	0.0
<b>TOTAL POSITIONS</b>	57.0	57.0	0.0	57.0	0.0
<b>TOTAL FTE</b>	57.0	57.0	0.0	57.0	0.0

## INFORMATION SYSTEMS DEPARTMENT

### MISSION

Provide leadership in the planning, establishment, and deployment of information technology and services in support of District functions. Develop, maintain, and enhance the District's computing and telecommunications infrastructure. Operate business systems critical to the operations of the District, to provide cash inflows, cash outflows, billing, payables, asset management, purchasing, and inventory controls management necessary to run a business enterprise. Provide internal business consulting to assist in re-engineering and automating work processes. Promote effective District-wide information management, sharing, accessibility, and security.

### DESCRIPTION OF SERVICES PROVIDED

The Information Systems Department contains three divisions. They are the Data Center Division, the Applications Division, and the Information Technology Security Division. Together, these divisions support the IT needs of the District by developing software for major business applications; managing the computing and network infrastructure; implementing new technologies; managing telephone, radio, microwave, and pager communications; planning to ensure business continuity of IT systems; and providing end-user support.

### OPERATING BUDGET SUMMARY

A comparison of the department's operating budget is shown in the chart below.

Category \$000's	FY09 Amended Budget	FY09 Oblig vs Bud at 50% of yr	FY10 Adopted Budget	FY10 vs FY09	FY11 Adopted Budget	FY11 vs FY10
Personnel Costs	12,983	51.7%	13,718	5.7%	14,009	2.1%
Contract Services	574	100.0%	1,310	128.2%	1,077	-17.8%
All Other Costs	7,845	38.0%	6,382	-18.6%	6,202	-2.8%
<b>TOTAL</b>	<b>21,402</b>	<b>48.0%</b>	<b>21,410</b>	<b>0.0%</b>	<b>21,288</b>	<b>-0.6%</b>

The department's FY10 Contract Services budget is increasing \$736,000 or 128.2% primarily for outside network support to develop, upgrade and maintain various programs. The largest contract (\$195,000) is for the support of the legacy Customer Information System (CIS) through FY10 until the new CIS system is in place. Maintenance and support for the new CIS system (\$120,000) is also budgeted.

In FY10, All Other Costs are decreasing \$1,463,000 or 18.6% due to the deferral of computer software and hardware replacements.

Contract Services reflect a decrease in FY11 mainly due to the legacy CIS system support which will be discontinued when the new CIS system is online.

**STAFFING SUMMARY**

The chart below describes the adopted staffing of the department.

Position Type	FY09 Staffing	FY10 Adopted Staffing	FY10 vs FY09	FY11 Adopted Staffing	FY11 vs FY10
Full Time	92.0	92.0	0.0	92.0	0.0
Limited Term/Temp Const	2.0	2.0	0.0	2.0	0.0
Temporary/Part-Time/Intermittent	0.0	0.0	0.0	0.0	0.0
<b>TOTAL POSITIONS</b>	<b>94.0</b>	<b>94.0</b>	<b>0.0</b>	<b>94.0</b>	<b>0.0</b>
<b>TOTAL FTE</b>	<b>94.0</b>	<b>94.0</b>	<b>0.0</b>	<b>94.0</b>	<b>0.0</b>

## CUSTOMER AND COMMUNITY SERVICES DEPARTMENT

### MISSION

The mission of the Customer and Community Services Department is to provide the highest quality customer service using technology and improved business practices to the District's external customers and the department's internal customers, guided by fairness, consistency, efficiency, and high standards of professionalism and fiscal responsibility.

### DESCRIPTION OF SERVICES PROVIDED

The Customer and Community Services Department operations include the Customer Contact Center, meter reading, field services, mail and remittance processing, and customer services support. The department is the direct interface for many of the District's customers and they develop and maintain the District's billing and collection system.

### OPERATING BUDGET SUMMARY

A comparison of the department's operating budget is shown in the chart below.

Category \$000's	FY09 Amended Budget	FY09 Oblig vs Bud at 50% of yr	FY10 Adopted Budget	FY10 vs FY09	FY11 Adopted Budget	FY11 vs FY10
Personnel Costs	13,084	52.6%	12,774	-2.4%	13,074	2.3%
Contract Services	237	78.9%	126	-46.8%	127	0.8%
All Other Costs	2,089	53.3%	1,889	-9.6%	2,145	13.6%
<b>TOTAL</b>	<b>15,410</b>	<b>53.1%</b>	<b>14,789</b>	<b>-4.0%</b>	<b>15,346</b>	<b>3.8%</b>

The department's FY10 Contract Services budget is \$111,000 (46.8%) lower than FY09 due to transitioning monitoring of the District's phone system in-house.

In FY11, an increase of \$256,000 (13.6%) in the All Other Costs is primarily due to the expense for the Proposition 218 mailing notices (\$210,000) that occurs every other year. A portion of the increase is due to an anticipated rise in postage costs.

### STAFFING SUMMARY

The chart below describes the adopted staffing of the department.

Position Type	FY09 Staffing	FY10 Adopted Staffing	FY10 vs FY09	FY11 Adopted Staffing	FY11 vs FY10
Full Time	110.0	110.0	0.0	110.0	0.0
Limited Term/Temp Const	14.0	13.0	(1.0)	13.0	0.0
Temporary/Part-Time/Intermittent	40.0	40.0	0.0	40.0	0.0
<b>TOTAL POSITIONS</b>	<b>164.0</b>	<b>163.0</b>	<b>(1.0)</b>	<b>163.0</b>	<b>0.0</b>
<b>TOTAL FTE</b>	<b>145.0</b>	<b>144.0</b>	<b>(1.0)</b>	<b>144.0</b>	<b>0.0</b>



## ADMINISTRATION DEPARTMENT

### MISSION

Provide accurate, timely, and responsive high quality customer services to EBMUD employees, District ratepayers, businesses, vendors, contractors, developers, and other customers. Demonstrate leadership in purchasing, fair employment and contracting, new business, real estate, budget, and water conservation initiatives. Support reasonable customer rates by utilizing leading edge material and supply contracting strategies, cost-effective water conservation concepts, sound business practices, and high standards of professionalism in all activities. Promote diversity and fairness in contracting by utilizing contracting objectives and small business incentives.

### DESCRIPTION OF SERVICES PROVIDED

The Administration Department is responsible for the following programs and functions: Contract Equity, Affirmative Action/Equal Employment Opportunity, Water Conservation, Purchasing, Real Estate, New Business, and the Budget Office.

### OPERATING BUDGET SUMMARY

A comparison of the department's operating budget is shown in the chart below.

Category \$000's	FY09 Amended Budget	FY09 Oblig vs Bud at 50% of yr	FY10 Adopted Budget	FY10 vs FY09	FY11 Adopted Budget	FY11 vs FY10
Personnel Costs	10,387	51.3%	9,604	-7.5%	9,830	2.4%
Contract Services	366	83.3%	250	-31.7%	299	19.6%
All Other Costs	3,430	44.4%	1,981	-42.2%	1,986	0.3%
<b>TOTAL</b>	<b>14,183</b>	<b>50.5%</b>	<b>11,835</b>	<b>-16.6%</b>	<b>12,115</b>	<b>2.4%</b>

The department's FY10 budget decrease in Contract Services of \$116,000 or 31.7% is largely due to the completion of water conservation work associated with the Drought Management Program and a reduction in required property appraisal services.

In FY10, All Other Costs are decreasing \$1,400,000 or 42.2% which is primarily due to \$951,000 in Drought Management Program costs not budgeted in FY10 and FY11. The balance of \$449,000 is a result of decreased membership costs (\$145,000), a reduction in office services and supplies (\$128,000), deferral of large equipment purchases (\$100,000), and other miscellaneous deferrals and reductions identified to reduce costs in both years.

### STAFFING SUMMARY

The chart below describes the adopted staffing of the department.

Position Type	FY09 Staffing	FY10 Adopted Staffing	FY10 vs FY09	FY11 Adopted Staffing	FY11 vs FY10
Full Time	95.0	95.0	0.0	95.0	0.0
Limited Term/Temp Const	7.0	4.0	(3.0)	4.0	0.0
Temporary/Part-Time/Intermittent	21.0	15.0	(6.0)	15.0	0.0
<b>TOTAL POSITIONS</b>	<b>123.0</b>	<b>114.0</b>	<b>(9.0)</b>	<b>114.0</b>	<b>0.0</b>
<b>TOTAL FTE</b>	<b>112.5</b>	<b>106.5</b>	<b>(6.0)</b>	<b>106.5</b>	<b>0.0</b>

## HUMAN RESOURCES DEPARTMENT

### MISSION

To recruit, retain, develop and support a qualified workforce through fair and open processes that promote diversity and equity in personnel matters.

### DESCRIPTION OF SERVICES PROVIDED

The Human Resource Department operations include administration, employee development, recruitment and classification, employee services, employee relations and human resource information services.

### OPERATING BUDGET SUMMARY

A comparison of the department's operating budget is shown in the chart below.

Category \$000's	FY09 Amended Budget	FY09 Oblig vs Bud at 50% of yr	FY10 Adopted Budget	FY10 vs FY09	FY11 Adopted Budget	FY11 vs FY10
Personnel Costs	6,375	49.8%	6,347	-0.4%	6,529	2.9%
Contract Services	782	78.9%	554	-29.2%	582	5.1%
All Other Costs	869	50.9%	678	-22.0%	708	4.4%
<b>TOTAL</b>	<b>8,026</b>	<b>52.7%</b>	<b>7,579</b>	<b>-5.6%</b>	<b>7,819</b>	<b>3.2%</b>

The department's FY10 Contract Services are decreasing \$228,000 or 29.2% from the FY09 amended budget. The decrease is largely due to the deferral of non-mandatory training services.

In FY10, All Other Costs are decreasing \$191,000 or 22.0% due to reduced spending on District-sponsored employee events (\$89,000), reduction to non-routine travel and training (\$40,000), and deferrals and reductions to other expenses as identified by the department.

**STAFFING SUMMARY**

The chart below describes the adopted staffing of the department.

Position Type	FY09 Staffing	FY10 Adopted Staffing	FY10 vs FY09	FY11 Adopted Staffing	FY11 vs FY10
Full Time	46.0	46.0	0.0	46.0	0.0
Limited Term/Temp Const	1.0	1.0	0.0	1.0	0.0
Temporary/Part-Time/Intermittent	3.0	3.0	0.0	3.0	0.0
<b>TOTAL POSITIONS</b>	<b>50.0</b>	<b>50.0</b>	<b>0.0</b>	<b>50.0</b>	<b>0.0</b>
<b>TOTAL FTE</b>	<b>48.5</b>	<b>48.5</b>	<b>0.0</b>	<b>48.5</b>	<b>0.0</b>

## OFFICE OF THE GENERAL COUNSEL

### MISSION

The Office of the General Counsel's mission is to employ and effectively utilize the highest caliber legal and support staff to assure quality and timely legal services to the Board of Directors and District staff.

### DESCRIPTION OF SERVICES PROVIDED

The Office of the General Counsel provides legal assistance and litigation support to the Board, General Manager and staff in such areas as: resources law, municipal and public law; environmental law; public works contracting; construction and real estate law; personnel, benefits, retirement and labor law; risk management and insurance; public finance and governmental law; tort law; and rates, regulations, and public policy matters.

### OPERATING BUDGET SUMMARY

A comparison of the department's operating budget is shown in the chart below.

Category \$000's	FY09 Amended Budget	FY09 Oblig vs Bud at 50% of yr	FY10 Adopted Budget	FY10 vs FY09	FY11 Adopted Budget	FY11 vs FY10
Personnel Costs	2,875	48.0%	2,722	-5.3%	2,781	2.2%
Contract Services	750	69.0%	750	0.0%	750	0.0%
All Other Costs	447	15.0%	419	-6.3%	420	0.2%
<b>TOTAL</b>	<b>4,072</b>	<b>48.2%</b>	<b>3,891</b>	<b>-4.4%</b>	<b>3,951</b>	<b>1.5%</b>

**STAFFING SUMMARY**

The chart below describes the adopted staffing of the department.

Position Type	FY09 Staffing	FY10 Adopted Staffing	FY10 vs FY09	FY11 Adopted Staffing	FY11 vs FY10
Full Time	15.0	15.0	0.0	15.0	0.0
Limited Term/Temp Const	0.0	0.0	0.0	0.0	0.0
Temporary/Part-Time/Intermittent	3.0	3.0	0.0	3.0	0.0
<b>TOTAL POSITIONS</b>	<b>18.0</b>	<b>18.0</b>	<b>0.0</b>	<b>18.0</b>	<b>0.0</b>
<b>TOTAL FTE</b>	<b>16.5</b>	<b>16.5</b>	<b>0.0</b>	<b>16.5</b>	<b>0.0</b>

## WATER RECYCLING PROGRAM

### MISSION

Develop and implement projects that provide recycled water for appropriate uses by the District and its customers to reduce the demand on high quality drinking water supplies. Implement programs designed to achieve the goal of an additional 14 MGD of recycled water by the year 2020.

### DESCRIPTION OF SERVICES PROVIDED

The Water Recycling Program is responsible for developing and implementing recycled water projects to meet the District's water recycling goal; operating and maintaining the North Richmond Water Reclamation Plant and the Richmond Advanced Recycled Expansion (RARE) project that provide recycled water for use in the Chevron refinery; operating and maintaining the East Bayshore Recycled Water Project that provides recycled water to customers for irrigation, commercial, and industrial applications; maintaining the San Ramon Valley Recycled Water Project that provides recycled water to customers for irrigation applications; and program support of partnerships with other agencies.

### OPERATING BUDGET SUMMARY

A comparison of the department's operating budget is shown in the chart below.

Category \$000's	FY09 Amended Budget	FY09 Oblig vs Bud at 50% of yr	FY10 Adopted Budget	FY10 vs FY09	FY11 Adopted Budget	FY11 vs FY10
Personnel Costs	1,185	54.8%	1,141	-3.7%	1,340	17.4%
Contract Services	24	10.2%	19	-20.8%	20	5.3%
All Other Costs	2,475	39.5%	3,185	28.7%	3,885	22.0%
<b>TOTAL</b>	<b>3,684</b>	<b>44.2%</b>	<b>4,345</b>	<b>17.9%</b>	<b>5,245</b>	<b>20.7%</b>

The department's FY10 budget for Contract Services is decreasing by \$5,000 or 20.8% for outside specialized services consistent with historical spending.

All Other Costs are increasing in both FY10 (\$710,000 or 28.7%) and FY11 (\$700,000 or 22.0%) for Richmond Advanced Recycled Expansion (RARE) sewer discharge fees, disbursements for DSRSD-EBMUD Recycled Water Authority (DERWA) program expansion, and chemical costs.

In FY11, Personnel Costs are increasing \$199,000 or 17.4% due to the completion of the RARE project resulting in a shift from capital to operating labor.

### STAFFING SUMMARY

The chart below describes the adopted staffing of the department.

Position Type	FY09 Staffing	FY10 Adopted Staffing	FY10 vs FY09	FY11 Adopted Staffing	FY11 vs FY10
Full Time	8.0	8.0	0.0	8.0	0.0
Limited Term/Temp Const	0.0	0.0	0.0	0.0	0.0
Temporary/Part-Time/Intermittent	0.0	0.0	0.0	0.0	0.0
<b>TOTAL POSITIONS</b>	<b>8.0</b>	<b>8.0</b>	<b>0.0</b>	<b>8.0</b>	<b>0.0</b>
<b>TOTAL FTE</b>	<b>8.0</b>	<b>8.0</b>	<b>0.0</b>	<b>8.0</b>	<b>0.0</b>



## WASTEWATER DEPARTMENT

### MISSION

Operate and maintain District wastewater treatment facilities to comply with environmental and public health requirements. Protect the environment by reducing or eliminating the discharge of toxic and noxious substances to the air, land and San Francisco Bay. Maximize reuse of wastewater and treatment by-products and ensure public health and safety by complying with federal, state and local regulations regarding air, biosolids and water. Ensure reasonable rates and charges based on economical, reliable operations.

### DESCRIPTION OF SERVICES PROVIDED

The Wastewater Department is responsible for operating and maintaining the wastewater treatment plant; testing and reporting analytical results on water, wastewater, and hazardous waste samples; maintaining the wastewater infrastructure; and monitoring discharges by all wastewater customers. There are four divisions in the Wastewater Department: Support Services, Treatment, Environmental Services, and Laboratory Services.

### OPERATING BUDGET SUMMARY

A comparison of the department's operating budget is shown in the chart below.

Category \$000's	FY09 Amended Budget	FY09 Oblig vs Bud at 50% of yr	FY10 Adopted Budget	FY10 vs FY09	FY11 Adopted Budget	FY11 vs FY10
Personnel Costs	30,170	49.7%	30,824	2.2%	31,928	3.6%
Contract Services	1,182	53.0%	1,116	-5.6%	1,112	-0.4%
All Other Costs	22,744	50.1%	23,570	3.6%	24,411	3.6%
<b>TOTAL</b>	<b>54,096</b>	<b>49.9%</b>	<b>55,510</b>	<b>2.6%</b>	<b>57,451</b>	<b>3.5%</b>

**STAFFING SUMMARY**

The chart below describes the adopted staffing of the department.

Position Type	FY09 Staffing	FY10 Adopted Staffing	FY10 vs FY09	FY11 Adopted Staffing	FY11 vs FY10
Full Time	276.0	278.0	2.0	278.0	0.0
Limited Term/Temp Const	11.0	5.0	(6.0)	5.0	0.0
Temporary/Part-Time/Intermittent	1.0	1.0	0.0	1.0	0.0
<b>TOTAL POSITIONS</b>	<b>288.0</b>	<b>284.0</b>	<b>(4.0)</b>	<b>284.0</b>	<b>0.0</b>
<b>TOTAL FTE</b>	<b>287.5</b>	<b>283.5</b>	<b>(4.0)</b>	<b>283.5</b>	<b>0.0</b>



## Chapter 1.5 – STAFFING

The District remains committed to operating at an optimal level while keeping rates reasonable for ratepayers. Departments continue to seek out innovative alternatives in performing ongoing work and take advantage of changes due to retirements. This has freed up resources for new and emerging priorities while maintaining the appropriate level of service in existing areas.

The FY10 and FY11 staffing changes balance the need to provide appropriate levels of support for District operations with our commitment to keep rates low for our customers. We will continue to implement a hiring freeze throughout the two-year period, although we will evaluate the status as part of the mid-cycle review of the District's revenues and expenses during the close of FY10. The staffing plan balances departmental efforts to allocate human resources effectively through regular staffing assessments and adjustments. The departments will look for opportunities to restructure the workload as employees retire or leave the District and will continue to evaluate positions as part of the mid-cycle review.

In FY10, 3.5 additional FTE's will be added and 19.0 FTE's will be eliminated for a net reduction of 15.5 FTE's District-wide. In FY11, there are no additional staffing changes.

### Water System

In FY10, the staffing changes include the following:

- The removal of Limited Term flexing of a Senior Dispatch/Control Center Representative due to completion of organizational changes within the Dispatch Center.
- The conversion of three FTE's Limited Term Recreation Area Attendants to Part-Time status to meet operational needs. This conversion results in a net decrease of 1.5 FTE's.
- The conversion of seven Limited Term positions supporting the Customer Information Systems project to Temporary Construction status in order to complete the project.
- The deletion of seven Limited Term and six Temporary Drought Management positions due to the end of the drought emergency.

In FY11, there are no additional changes to the staffing plan.

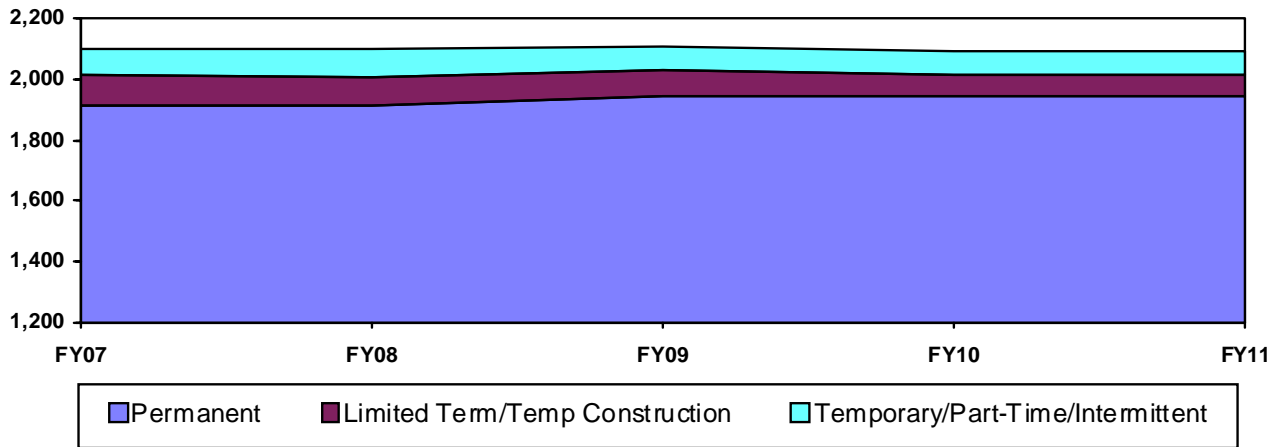
### Wastewater System

In FY10, the staffing changes include the following:

- Six Limited Term positions are being eliminated for a net reduction of 6.0 FTE. These changes include two Limited Term Painter positions, one Limited Term Senior Administrative Clerk, one Limited Term Supervising Wastewater Control Inspector, one Limited Term Senior Mechanical Engineer and one Limited Term Associate Civil Engineer.
- Two positions are being added to support the East Bay Regional Infiltration / Inflow Control Program. These position changes include one Special Assistant III and one Senior Civil / Mechanical Engineer.

In FY11, there are no additional changes to the staffing plan.

### DISTRICT-WIDE STAFFING TREND NUMBER OF POSITIONS FY07 - FY11



The above graph and the chart below reflect the District’s five-year staffing trend. Staffing for FY07 through FY09 represents adopted annual staffing as amended by mid-year Board actions, transfers, and changes made under the General Manager’s authority. The FY10 staffing plan reflects a net change of 17 fewer positions than FY09. These position changes include:

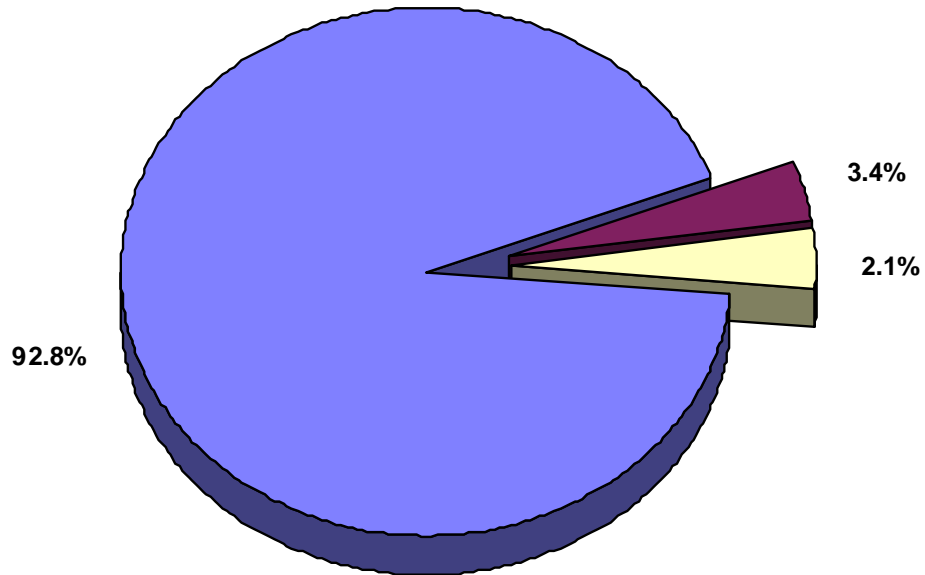
- Addition of two positions in support of the East Bay Regional Infiltration / Inflow Control Program,
- Conversion of three Limited Term positions to Part-Time in support of the Invasive Aquatic Species Prevention Program.
- Deletion of 19 positions of which six Limited Term have reached the end of their term and 13 due to the end of the drought emergency of which seven are Limited Term and six are Temporary.

The FY11 staffing plan reflects no change from FY10.

NUMBER OF POSITIONS	FY07 Amended	FY08 Amended	FY09 Amended	FY10 Adopted	FY11 Adopted
Full Time/Regular	1,915	1,909	1,941	1,943	1,943
Limited Term/ Temporary Construction	99	98	88	72	72
Temporary/Part-Time Intermittent	84	90	81	78	78
<b>TOTAL POSITIONS</b>	<b>2,098</b>	<b>2,097</b>	<b>2,110</b>	<b>2,093</b>	<b>2,093</b>
Position change from previous FY	+6	-1	+13	-17	0
<b>TOTAL FTE*</b>	<b>2,057.0</b>	<b>2,053.0</b>	<b>2,070.5</b>	<b>2,055.0</b>	<b>2,055.0</b>
FTE change from previous FY	+6	-4	+17.5	-15.5	0

\*Permanent, Limited Term and Temporary Construction=1 FTE; Intermittent= .75 FTE; Temporary, Part-Time = .5 FTE

**FY10-FY11  
DISTRICT STAFFING PLAN  
Percentage of Full-Time Equivalent (FTE) Positions  
by Employment Category**



- Permanent = 1 FTE each
- Limited Term (LT)/Temporary Construction (TC) = 1 FTE each
- Temporary / Part-Time = .5 FTE each
- Intermittent = .75 FTE each

## FY10-FY11 STAFFING BY DEPARTMENT

### Positions by Full-Time Equivalent (FTE)

The chart below provides the staffing numbers by department and compares the change in full-time equivalent positions.

Department	FY09 Amended	FY10 Adopted	FTE Change	FY11 Adopted	FTE Change
Operations & Maintenance Support	39.0	39.0	0.0	39.0	0.0
Maintenance and Construction	660.0	660.0	0.0	660.0	0.0
Water Operations	196.5	196.5	0.0	196.5	0.0
Water Resources	44.0	44.0	0.0	44.0	0.0
Natural Resources	72.0	70.5	-1.5	70.5	0.0
Engineering & Construction	257.5	257.5	0.0	257.5	0.0
Office of the General Manager	32.5	29.5	-3.0	29.5	0.0
Finance	57.0	57.0	0.0	57.0	0.0
Information Systems	94.0	94.0	0.0	94.0	0.0
Customer & Community Services	145.0	144.0	-1.0	144.0	0.0
Administration	112.5	106.5	-6.0	106.5	0.0
Human Resources	48.5	48.5	0.0	48.5	0.0
Office of the General Counsel	16.5	16.5	0.0	16.5	0.0
Water Recycling Program	8.0	8.0	0.0	8.0	0.0
<b>WATER SYSTEM TOTAL</b>	<b>1,783.0</b>	<b>1,771.5</b>	<b>-11.5</b>	<b>1,771.5</b>	<b>0.0</b>
<b>WASTEWATER</b>	<b>287.5</b>	<b>283.5</b>	<b>-4.0</b>	<b>283.5</b>	<b>0.0</b>
<b>DISTRICT-WIDE TOTAL</b>	<b>2,070.5</b>	<b>2,055.0</b>	<b>-15.5</b>	<b>2,055.0</b>	<b>0.0</b>

## FY10–FY11 DEPARTMENT POSITION CHANGES

The tables below summarize the position changes by department. The change in cost is determined by comparing the annual cost of the salaries and benefits of the current position, with the annual cost of the new position at the top step. Each department table is followed by an overview of its position changes.

<b>MAINTENANCE AND CONSTRUCTION</b>						
<b>FY</b>	<b>Action</b>	<b>Classification(s)</b>	<b>Classification(s)</b>	<b>Change in Cost</b>	<b>Change in FTE</b>	<b>Project/Program</b>
2010	Remove Flexing	Reg/LT Sr. DCCR / Reg/LT DCCR	Reg DCCR	(10,072)	0.0	Workload Efficiencies
<b>FY10 TOTAL</b>				<b>(10,072)</b>	<b>0.0</b>	

In FY09, the Maintenance and Construction Department restructured the workload within the Dispatch Center which resulted in the hiring of a Dispatch Center Supervisor. This allowed the employee serving as a Limited Term Senior Dispatch/Contact Center Representative to return to their regular Dispatch/Contact Center Representative position. Therefore, flexing of the position as Limited Term is no longer necessary.

<b>NATURAL RESOURCES</b>						
<b>FY</b>	<b>Action</b>	<b>Classification(s)</b>	<b>Classification(s)</b>	<b>Change in Cost</b>	<b>Change in FTE</b>	<b>Project/Program</b>
2010	Conversion	LT Rec Area Attendant	Part-Time Rec Area Attendant	(39,935)	(0.5)	Invasive Aquatic Species Prevention Program
2010	Conversion	LT Rec Area Attendant	Part-Time Rec Area Attendant	(39,935)	(0.5)	Invasive Aquatic Species Prevention Program
2010	Conversion	LT Rec Area Attendant	Part-Time Rec Area Attendant	(39,935)	(0.5)	Invasive Aquatic Species Prevention Program
<b>FY10 TOTAL</b>				<b>(119,805)</b>	<b>(1.5)</b>	

In FY10, the Natural Resources Department is converting three Limited Term Recreation Area Attendants to Part-Time Recreation Area Attendants in order to cost effectively inspect the incoming private boats at the Pardee and Camanche Reservoirs for invasive species control. These positions can be changed from full-time to part-time status due to a reduction in the frequency of boat inspections in Pardee and Camanche Reservoirs. The recently completed Vulnerability Assessment identified the water quality in Pardee and Camanche Reservoirs would not likely support viable populations of invasive mussels thus inspections can be reduced based on reduced threat.



<b>CUSTOMER AND COMMUNITY SERVICES</b>						
<b>FY</b>	<b>Action</b>	<b>Classification(s)</b>	<b>Classification(s)</b>	<b>Change in Cost</b>	<b>Change in FTE</b>	<b>Project/Program</b>
2010	Conversion	LT Customer Services Manager	TC Customer Services Manager	0	0.0	Customer Information Systems Project
2010	Conversion	LT Customer Services Supv. (2 positions)	TC Customer Services Supv. (2 positions)	0	0.0	Customer Information Systems Project
2010	Conversion	LT Information Sys Administrator	TC Information Sys Administrator	0	0.0	Customer Information Systems Project
2010	Conversion	LT Info Sys Support Analyst I/II (3 positions)	TC Info Sys Support Analyst I/II (3 positions)	0	0.0	Customer Information Systems Project
2010	Deletion	Field Service Representative I/II		(107,443)	(1.0)	Drought Management Program
<b>FY10 TOTAL</b>				<b>(107,443)</b>	<b>-(1.0)</b>	

In FY10, the Customer and Community Services Department is converting seven positions from Limited Term to Temporary Construction in order to complete the Customer Information Systems Project. The project has taken longer than originally anticipated. Therefore, it is necessary to convert these positions to Temporary Construction. The completion date for the project is June 30, 2010.

In addition, one position is being deleted due to the end of the drought emergency.

<b>OFFICE OF THE GENERAL MANAGER</b>						
<b>FY</b>	<b>Action</b>	<b>Classification(s)</b>	<b>Classification(s)</b>	<b>Change in Cost</b>	<b>Change in FTE</b>	<b>Project/Program</b>
2010	Deletion	Public Information Representative I/II		(144,495)	(1.0)	Drought Management Program
2010	Deletion	Community Affairs Representative II		(144,495)	(1.0)	Drought Management Program
2010	Deletion	Administrative Clerk		(88,168)	(1.0)	Drought Management Program
<b>FY10 TOTAL</b>				<b>(377,158)</b>	<b>(3.0)</b>	

In FY10, the Office of the General Manager is deleting three positions due to the end of the drought emergency.

<b>ADMINISTRATION</b>						
<b>FY</b>	<b>Action</b>	<b>Classification(s)</b>	<b>Classification(s)</b>	<b>Change in Cost</b>	<b>Change in FTE</b>	<b>Project/Program</b>
2010	Deletion	Administrative Clerk		(88,168)	(1.0)	Drought Management Program
2010	Deletion	Water Conservation Representative		(255,431)	(2.0)	Drought Management Program
2010	Deletion	Water Conservation Technician		(322,328)	(3.0)	Drought Management Program
<b>FY10 TOTAL</b>				<b>(665,927)</b>	<b>(6.0)</b>	

In FY10, the Administration Department is deleting nine positions for a net reduction of six FTE's due to the end of the drought emergency.

<b>WASTEWATER</b>						
<b>FY</b>	<b>Action</b>	<b>Classification(s)</b>	<b>Classification(s)</b>	<b>Change in Cost</b>	<b>Change in FTE</b>	<b>Project/Program</b>
2010	Addition	Special Assistant III		217,652	1.0	East Bay Regional Infiltration / Inflow Control Program
2010	Addition	Senior Civil / Mech Engineer		197,190	1.0	East Bay Regional Infiltration / Inflow Control Program
2010	Delete	LT Painter (2 positions)		(229,042)	(2.0)	Term limit ended.
2010	Delete	LT Sr. Administrative Clerk		(101,236)	(1.0)	Term limit ended.
2010	Delete	LT Supervising Wastewater Control Inspector		0	(1.0)	Term limit ended.
2010	Delete	LT Associate Civil/Mech Eng /LT Asst Eng		(170,080)	(1.0)	Term limit ended.
2010	Delete	LT Sr. Civil / Mech Eng		(197,164)	(1.0)	Term limit ended.
<b>FY10 TOTAL</b>				<b>(282,680)</b>	<b>(4.0)</b>	

In FY10, the Wastewater Department is adding two positions to support the East Bay Regional Infiltration / Inflow Control Program and deleting six Limited Term positions. All Limited Term positions are vacant as of the end of FY09.

- Two positions are being added to support the East Bay Regional Infiltration / Inflow Control Program. These position changes include one Special Assistant III and one Senior Civil / Mechanical Engineer.
- Two Limited Term Painter positions are being deleted because the term has expired. Existing Regular Painter positions have proven to be adequate to cover both project work and regular maintenance painting needs.
- A Limited Term Senior Administrative Clerk position is no longer needed as the work to organize facility records and drawings is nearly complete.

- A Limited Term Supervising Wastewater Control Inspector position is no longer needed as a Regular position has been filled on a permanent basis.
- The Limited Term Associate Civil/Mechanical Engineer/Limited Term Assistant Engineer and the Limited Term Senior Civil/Mechanical Engineer positions which support Wastewater's Asset Management have completed a significant amount of work to establish the program. The initial evaluation indicates the Asset Management Program should continue on a permanent basis with an ongoing workload. The next steps will be to more fully evaluate the success of the program and determine the ongoing scope.

## FY10 BARGAINING UNIT CHANGES

The following chart shows by department the net change in bargaining unit status of authorized positions represented by AFSCME Local 2019, AFSCME Local 444, AFL/CIO Local 21, and IUOE Local 39; or included in Management/Confidential and other Non-represented groups. The chart reflects all staffing changes for FY10 including inter-departmental transfers.

Department	Local 2019	Local 444	Local 21	Local 39	Mgmt/Confident	Non-Rep	Exempt
Operations Support	-	-	-	-	-	-	-
Maintenance & Construction	-	-	-	-	-	-	-
Water Operations	-	-	-	-	-	-	-
Operations Support	-	-	-	-	-	-	-
Water Resources	-	-	-	-	-	-	-
Natural Resources	-	-	-	-	-	-	-
Engineering & Construction	-	-	-	-	-	-	-
Office of the General Manager	-1	-	-2	-	-	-	-
Finance	-	-	-	-	-	-	-
Information Systems	-	-	-	-	-	-	-
Customer & Community Services	-1	-	-	-	-	-	-
Administration	-3	-	-	-	-	-6	-
Human Resources	-	-	-	-	-	-	-
Office of the General Counsel	-	-	-	-	-	-	-
Wastewater	-2	-2	-1	-	-	-	1
Water Recycling Program	-	-	-	-	-	-	-
<b>FY10 NET CHANGE IN BARGAINING UNIT STATUS</b>	<b>-7</b>	<b>-2</b>	<b>-3</b>	<b>0</b>	<b>0</b>	<b>-6</b>	<b>1</b>

In FY11, the District will maintain the FY10 staffing plan. Therefore, there is no change in the bargaining unit status for FY11.



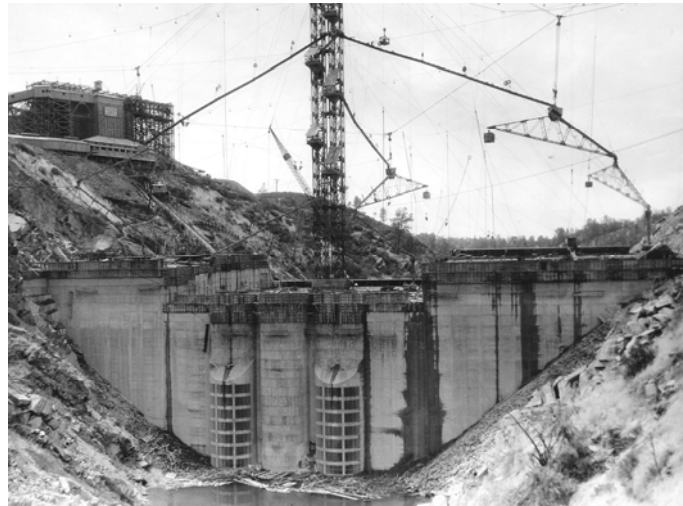


**East Bay Municipal Utility District**

**CHARACTERISTICS**

## THE EAST BAY MUNICIPAL UTILITY DISTRICT

The East Bay Municipal Utility District (EBMUD) supplies water and provides wastewater treatment for parts of Alameda and Contra Costa counties. It is a publicly owned utility formed under the Municipal Utility District (MUD) Act passed by the state legislature in 1921. The Act permits the formation of multi-purpose government agencies to provide needed services on a regional basis. In 1923, voters in the East San Francisco Bay Area created EBMUD to provide water service.



Pardee Reservoir under construction

The MUD Act was amended in 1941 to enable the formation of special districts.

In 1944, voters in six East Bay cities elected to form the EBMUD Special District No. 1 to treat wastewater before being released into San Francisco Bay. Wastewater treatment began in 1951. In 1971, Kensington, El Cerrito and a part of Richmond were added to the Special District.

Approximately 1.3 million people are served by the EBMUD water system in a 331 square-mile area extending from Crockett in the north to San Lorenzo, and eastward from San Francisco Bay to Walnut Creek, encompassing the major cities of Oakland and Berkeley. Virtually all of the water used by EBMUD comes from melted snow within the 577 square mile protected watershed located on the western slope of the Sierra Nevada which feeds into the Mokelumne River. Raw or untreated water from Pardee Reservoir is transported 91 miles via three parallel aqueducts to East Bay water treatment plants or terminal reservoirs. On track to be completed in 2009, the Freeport Regional Water Project will convey up to 100 MGD of Sacramento River water to protect EBMUD's customers from the potential devastation of a severe drought.

The wastewater system serves approximately 650,000 people in an 88 square-mile area along the east shore of the bay extending from Richmond in the north to San Leandro in the south. In addition to providing wastewater treatment to these areas, laboratory services operate 365 days a year to constantly monitor water quality for drinking water and wastewater systems.

In 1979, EBMUD entered into a joint powers agreement with the communities in its service area to develop a regional solution for deteriorated sewer pipes and improper storm drain connections that allow rainwater to enter community sewer systems during the heaviest storms, causing overflows at more than 175 locations. EBMUD's contribution to the regional solution is a continuing program of improving and expanding facilities to provide adequate treatment capacity for the high wet-weather flows.

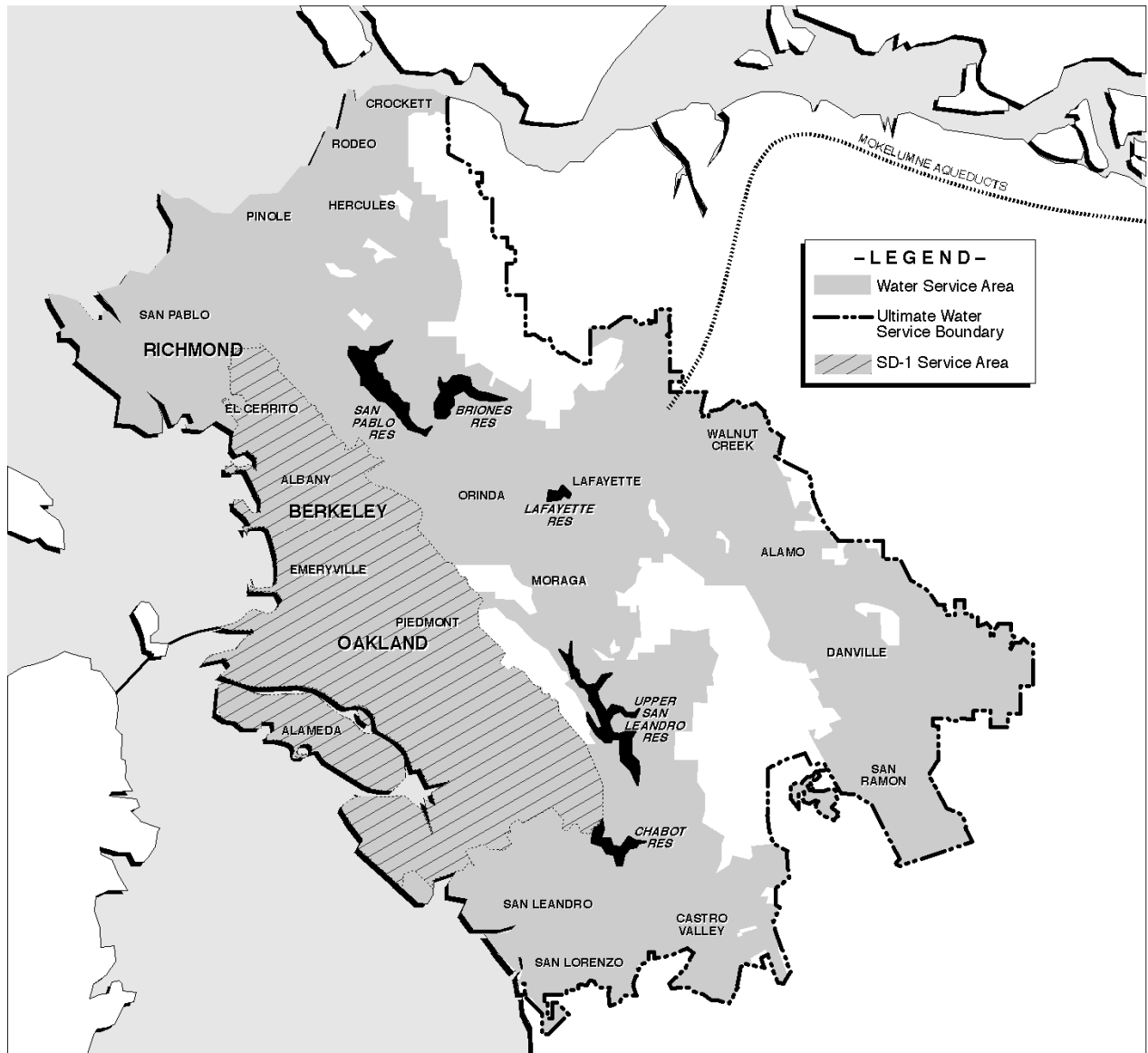
Population growth has created an increased demand for water. In response, EBMUD supports one of the largest and most comprehensive water conservation programs in California. Additionally, water recycling programs have been initiated to reduce demand on drinking water. More than eight million gallons a day of recycled water is provided for industrial uses, golf courses, and landscaping needs.



## EBMUD MISSION STATEMENT

To manage the natural resources with which the District is entrusted; to provide reliable, high quality water and wastewater services at fair and reasonable rates for the people of the East Bay; and to preserve and protect the environment for future generations.

## EBMUD SERVICE AREA



## EBMUD HISTORY

- 1852 Contra Costa Village, population of 2,000, is incorporated as the City of Oakland.
- 1870 Population increases to 15,000. Water service provided by private water companies, plagued by recurring droughts and lack of water storage. Contra Costa Water Company completes San Leandro Reservoir later to be renamed Chabot Reservoir.
- 1890 Population of 47,000. A filter plant on San Leandro Reservoir begins operation.
- 1910 Population swells to 150,000 with more than 50,000 of the 100,000-plus refugees from the 1906 San Francisco Earthquake settling in the East Bay.
- 1919 San Pablo Reservoir completed by the East Bay Water Company.
- 1921 MUD Act adopted by the State of California.
- 1923 EBMUD is organized.
- 1926 Upper San Leandro Reservoir completed by the East Bay Water Co.
- 1928 Lafayette Reservoir completed.
- 1928 EBMUD purchases the East Bay Water Co.
- 1929 Pardee Dam, highest in the world at the time, and the Mokelumne aqueduct are completed. First water deliveries from the Sierra Mountains occur June 23, 1929.
- 1930 Population of 460,000 served at 35 million gallons per day (MGD).
- 1936 EBMUD sells 2,162 acres of watershed land to the East Bay Regional Park District for \$656,544. (Tilden Park, Roundtop and Lake Temescal)
- 1940 Population of 519,000 served at 44 MGD.
- 1949 Second Mokelumne Aqueduct completed.
- 1950 Population of 851,000 served at 109 MGD.
- 1951 Wastewater treatment system begins operation.
- 1958 Pardee Reservoir opens to public recreation.
- 1960 Population of 978,000 served at 153 MGD.
- 1963 Third Mokelumne Aqueduct completed.
- 1964 Camanche and Briones reservoirs completed.
- 1966 Lafayette and Chabot reservoirs open to public for recreation.
- 1968 EBMUD signs agreement for 150,000 acre feet annually of American River water.
- 1970 Population of 1.1 million served at 220 MGD. Land use master plan adopted to protect watersheds.
- 1977 Driest year on record.
- 1980 Population of 1.1 million served at 184 MGD.
- 1983 Wettest year on record.
- 1988 Camanche reservoir reaches its lowest level.
- 1990 Population of 1.2 million served at 192 MGD.
- 1991 New administration building opens in downtown Oakland.
- 1993 Updated Water Supply Management Program adopted to guide water planning.
- 1994 Seismic Improvement Program adopted to strengthen the water system over 10 years.
- 1996 East Bay Watershed Master Plan adopted to protect biodiversity and water quality on 25,000 acres of EBMUD land.
- 1998 EBMUD converted from chlorine to chloramine as the water distribution system disinfectant to improve water taste and reduce unwanted disinfection byproducts.
- 1999 Wastewater Wet Weather Program completed.
- 2004 Mokelumne Aqueducts flooded due to Jones Tract levee break.
- 2005 EBMUD named to EPA Top 25 Green Power Partners list.
- 2007 Claremont Tunnel seismic retrofit completed.
- 2008 San Pablo Dam Seismic Improvement Project broke ground; Water shortage emergency declared with mandatory water conservation.
- 2009 Approved EIR for Water Supply Management Plan 2040; Declared water emergency to end July 1, conservation still encouraged.

## **EBMUD BOARD OF DIRECTORS**

EBMUD has a seven-member Board of Directors elected from wards within the District.

<b>Board Member</b>	<b>Ward</b>
Lesa R. McIntosh	1
John A. Coleman	2
Katy Foulkes	3
Andrew Katz	4
Doug Linney	5
William B. Patterson	6
Frank Mellon	7

## **SENIOR MANAGEMENT**

Dennis M. Diemer	General Manager
Cheryl A. Farr	Special Assistant to the General Manager
Randele B. Kanouse	Special Assistant to the General Manager
Jylana D. Collins	General Counsel
Michael J. Wallis	Director of Operations and Maintenance
Alexander R. Coate	Director of Water and Natural Resources
Gary M. Breaux	Director of Finance
Carol Y. Nishita	Director of Administration
Xavier J. Irias	Director of Engineering and Construction
David R. Williams	Director of Wastewater
Rebecca F. Lamoreaux	Manager of Customer and Community Services
Richard G. Sykes	Manager of Natural Resources
Eileen White	Manager of Water Operations
Vacant	Manager of Maintenance and Construction
Nicholas J. Irias	Manager of Information Systems
Gwen McDonald	Manager of Human Resources
Lynelle M. Lewis	Secretary of the District

## ADMINISTRATIVE PROFILE

EBMUD employs approximately 2,000 people. Most are represented by the American Federation of State, County and Municipal Employees, Locals 444 and 2019; the International Federation of Professional and Technical Engineers, Local 21; and the International Union of Operating Engineers, Local 39.

In 1984 the Board of Directors adopted a Minority Business and Women Enterprise Policy to formalize its established practice of increasing the amount of District business contracted with minority and female-owned businesses and professional services. In 1998, the Board replaced this program and policy with the Contract Equity Policy and Program and also adopted a policy to increase workforce diversity among District contractors. In 1991, the Board adopted a policy preventing sexual harassment in the workplace. The Board annually reaffirms the District's Equal Employment Opportunity policies and an Affirmative Action Plan.



## EBMUD OFFICES



### Administration Building

375 Eleventh Street, Oakland, 94607  
1-866-40-EBMUD

### Adeline Maintenance Center

2130 Adeline Street, Oakland, 94607  
1-866-40-EBMUD

## SERVICE AREA DESCRIPTION AND ECONOMY

The EBMUD service area includes a large part of the urban and suburban development in Alameda and Contra Costa Counties. The service area includes 20 cities and 15 unincorporated communities located on the eastern shore of San Francisco Bay (the “East Bay”) from Carquinez Strait on the north to San Lorenzo on the south, and extending to the east beyond the Oakland-Berkeley hills to Walnut Creek and south through the San Ramon Valley.

The six largest cities in the service area are:

<b>Alameda County</b>	<b>Contra Costa County</b>
Oakland	Richmond
Alameda	Walnut Creek
Berkeley	
San Leandro	

### SIX LARGEST CITIES IN SERVICE AREA, ALAMEDA and CONTRA COSTA COUNTIES, and CALIFORNIA Population Trends \*

<b>City/County</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2008</b>
Alameda	63,900	75,900	72,300	75,820
Berkeley	103,300	102,700	102,700	106,700
Oakland	339,300	371,100	399,500	420,180
San Leandro	64,200	68,100	79,500	81,850
Richmond	74,300	86,600	99,200	103,580
Walnut Creek	<u>53,300</u>	<u>60,600</u>	<u>64,300</u>	<u>65,310</u>
Total 6 cities	698,300	765,000	817,860	842,200
Alameda County	1,105,380	1,274,700	1,443,700	1,543,000
Contra Costa Co	657,250	797,600	948,800	1,051,670
California	23,668,560	29,558,000	33,872,000	38,049,460

\*California Department of Finance – January 2008

The EBMUD service area economy is diversified, and unemployment is below that for the State.

**SIX LARGEST CITIES IN SERVICE AREA,  
ALAMEDA and CONTRA COSTA COUNTIES, and CALIFORNIA  
Unemployment Rates \***

<b>City/County</b>	<b>Rate</b>
Alameda	7.4%
Berkeley	10.2%
Oakland	16.1%
San Leandro	10.6%
Richmond	16.1%
Walnut Creek	6.8%
Alameda County	10.7%
Contra Costa Co	10.0%
California	11.2%

\*California Employment Development Dept – May 2009

**ALAMEDA and CONTRA COSTA COUNTIES  
Major Employers \***

<b>Alameda Co</b>	<b>Major Employers</b>	
Berkeley	Alta Bates Medical Center Grocery Outlet Residential & Student Svc Prog	Bayer Corp Lawrence Berkeley Nat'l Lab UC Berkeley
Emeryville	Novartis	
Oakland	Alameda County Law Enforcement Bay Area Rapid Transit (BART) CA Dept of Transportation Kaiser Permanente	Alta Bates Summit Medical Ctr Brita Water Co EBMUD Children's Hospital
<b>Contra Costa Co</b>	<b>Major Employers</b>	
Moraga	St Mary's College	
Richmond	Bay Area Rapid Transit (BART)	Richmond City Offices
San Ramon	Chevron Corp	San Ramon Reg Medical Ctr
Walnut Creek	Bank of the West Kaiser Permanente	John Muir Health Foundation PMI Mortgage Insurance Co

\*California Employment Development Dept – 2009

**FINANCIAL ORGANIZATION**

## FINANCIAL ORGANIZATION

The District financial organization is based on two legally distinct enterprise funds for the Water System and the Wastewater System. The two separate funds preserve the unique expenditure and revenue distinction between the two entities. When services are provided by one system for the benefit of the other, the appropriate fund is billed and cash transfers are made to the other.

Both funds are organized according to the Uniform System of Accounts for Water Utilities, as established by the California Public Utilities Commission, and adhere to the Government Finance Officers Association (GFOA) requirements for enterprise funds.

### **Accounting Basis**

The District accounts for its activities as enterprise funds.

Financial data are recorded on a flow of economic resources basis, using the accrual basis of accounting. For financial reporting purposes, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Financial reports include depreciation and amortization.

Budgets are prepared on a modified cash flow basis.

Revenues are recognized when they are actually received, and obligations for expenditures are recognized when a commitment is made through an encumbered purchase order or actual expense.

### **Financial Planning and Policies**

The District prepares a biennial strategic plan and annual financial forecasts that provide the basis for developing the budget. Revenue requirements over the five year planning horizon are evaluated to determine the level of rate adjustments required for the upcoming budget years. To the extent possible, increases in water and wastewater rate revenues are adjusted to avoid large fluctuations in rate levels.

The District has adopted a comprehensive policy for cash reserves and debt management that identifies a variety of financial targets. The District strives to maintain a balance between current funding sources and debt financing over each five-year planning horizon by:

- Maintaining an annual revenue bond debt coverage ratio of at least 1.6 times coverage.
- Limiting the use of debt financing to no more than 65% of the total capital program over each five-year planning period.
- Limiting the use of commercial paper to 25% of outstanding long-term debt.

The District strives to maintain operating reserves at a level sufficient to meet working capital and unanticipated needs by:

- Maintaining working capital reserves of at least three months operating and maintenance expenses.
- Maintaining self-insurance reserves at 1.25 times the expected annual expenditures.
- Maintaining workers' compensation reserves equal to the estimated future liability for workers' compensation claims.



- Maintaining contingency and rate stabilization reserves:
  - For Water System - 20% of projected annual water volume sales.
  - For Wastewater system - 5% of projected annual operating and maintenance expenses.

**WATER SYSTEM  
OUTSTANDING DEBT  
(\$000's)**

<u>Issue</u>	<u>Date of Issue</u>	<u>Last Maturity</u>	<u>Amount Issued</u>	<u>Debt Outstanding June 30, 2009</u>
<b>Revenue Bonds:</b>				
Series 2001	6/1/01	6/1/12	250,000	8,295
Series 2002	3/5/02	6/1/25	241,850	211,200
Series 2003	6/19/03	6/1/21	115,730	69,665
Series 2005A	6/2/05	6/1/35	300,000	300,000
Series 2007A	5/8/07	6/1/37	450,000	450,000
Series 2007B	5/8/07	6/1/19	54,790	54,790
Series 2008A	3/19/08	6/1/38	322,525	319,925
Series 2008B	4/23/08	6/1/35	160,000	159,425
Series 2009A	5/5/09	6/1/26	<u>331,155</u>	<u>326,060</u>
<b>Total Revenue Bonds</b>			<b>\$2,226,050</b>	<b>\$1,899,360</b>
<b>Commercial Paper</b>	Various	Various	<b>\$315,300</b>	<b>\$315,300</b>
<b>General Obligations Bonds</b>	-	-	<b>\$0</b>	<b>\$0</b>
<b>Loans:</b>				
State Loans (Parity)	Various	Various	22,288	20,738
State Loans (Non-Parity)	Various	Various	23,651	9,880
Federal Drought Loan	9/1/78	9/1/17	5,973	1,281
California Energy Loan	6/22/02	6/22/13	<u>1,991</u>	<u>872</u>
<b>Total Loans</b>			<b>\$53,903</b>	<b>\$32,771</b>

**WASTEWATER SYSTEM  
OUTSTANDING DEBT  
(\$000's)**

<u>Issue</u>	<u>Date of Issue</u>	<u>Last Maturity</u>	<u>Amount Issued</u>	<u>Debt Outstanding June 30, 2009</u>
<b>Revenue Bonds:</b>				
Series 1998	6/1/98	6/1/11	50,000	1,550
Series 2007A	5/16/07	6/1/37	80,630	80,630
Series 2007B	5/16/07	6/1/26	46,670	43,835
Series 2008A	3/24/08	6/1/33	50,000	50,000
Series 2008B	3/19/08	6/1/38	69,300	68,500
Series 2008C	3/26/08	6/1/27	<u>65,300</u>	<u>60,650</u>
<b>Total Revenue Bonds</b>			<b>\$361,900</b>	<b>\$305,165</b>
<b>Commercial Paper</b>	Various	Various	<b>\$15,000</b>	<b>\$15,000</b>
<b>General Obligations Bonds</b>	1/22/03	4/1/18	<b>\$41,730</b>	<b>\$29,785</b>
<b>Loans:</b>				
State Loans (Parity)	Various	Various	22,268	11,490
State Loans (Non-Parity)	Various	Various	<u>56,535</u>	<u>13,853</u>
<b>Total Loans</b>			<b>\$78,803</b>	<b>\$25,343</b>



# Policy 4.02

EFFECTIVE 12 JUL 05

## CASH RESERVES AND DEBT MANAGEMENT

SUPERSEDES 14 JUN 05

### IT IS THE POLICY OF EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Maintain operating and self-insurance reserves necessary to provide ongoing working capital while maintaining a reasonable balance between debt and current revenue financing of capital projects. Adequate reserves and sound financial policies promotes the District's good standing in the capital markets; provides financing flexibility; avoids potential restrictive debt covenants; maintains markets for District debt; and facilitates future financing of capital projects at reasonable costs.

Maintaining the balance between current funding sources and debt financing is critical to retaining the District's financing flexibility. Flexibility allows the District to use a variety of revenue or debt-financing alternatives, including issuing low cost variable rate and other revenue supported debt.

### Financial Goals

- Maintain operating reserves at a level sufficient to meet working capital and unanticipated needs consisting of the following:
  - Maintain Working Capital Reserve of at least 3.0 times monthly net operating and maintenance expenses.
  - Maintain Self-Insurance Reserve at 1.25 times expected annual costs.
  - Maintain Workers' Compensation Reserve equal to the estimated future liability for Workers' Compensation claims.
  - Maintain Contingency and Rate Stabilization Reserve for the Water System of 20 percent of projected annual water volume revenues and for the Wastewater System of 5 percent of operating and maintenance expenses.
- Maintain a balance between current funding sources and debt financing over each five-year plan horizon:
  - Debt Service Coverage Ratio: Maintain an annual revenue bond debt coverage ratio of at least 1.6 times coverage.
  - Debt-Funded Capital Spending: Limit debt-funded capital to no more than 65 percent of the total capital program over each five-year planning period.
  - Commercial Paper/Variable Rate Debt: Limit to 25 percent of outstanding long-term debt.

### Authority

Motion No. 058-94, April 12, 1994  
As amended by Resolution No. 33211-00, June 27, 2000  
As amended by Resolution No. 33429-04, June 8, 2004  
As amended by Resolution No. 33481-05, June 14, 2005  
As amended by Resolution No. 33485-05, July 12, 2005



**BUDGET PROCESS**

# THE BUDGET PROCESS

During the budget process, the District makes decisions on the efficient use of its resources using its Strategic Plan for guidance. A financial plan and biennial budget is established for the Water System and Wastewater System that includes the planning of operating and capital programs and setting levels of related operating, capital and debt service expenditures that may be made during the budget period.

The budget is developed to reflect the costs necessary to provide customers with a safe and reliable water and wastewater system over the long term. The budget not only allocates resources, but is also used to create a rate structure that provides adequate revenues to meet the District's needs, and encourage the efficient use of water.

Decisions on allocating resources and addressing budget needs do not end when the Board adopts the budget. Throughout the year, various units of the District are responsible for implementing the budget and monitoring budget performance, responding to unforeseen or emergency circumstances, and participating in long-range financial planning.

Budget decisions are made through a process that involves the Board of Directors, District staff and the public. The responsibilities for financial management planning and budget control are as follows:

## Department Responsibilities

- Prepare capital improvement program and biennial budget requests.
- Monitor financial performance and take prompt corrective action, as needed.
- Monitor key performance indicators and take corrective action, as appropriate.
- Promptly inform the General Manager when unforeseen circumstances indicate that budget amounts may be exceeded or that expected revenues may be less than planned.

## Finance Department Responsibilities

### Treasury

- Recommend procedures for revenue collection, payment of approved demands, reporting and other actions associated with the prudent management of the District's financial resources.
- Provide for the issuance of debt to fund the capital improvement program.
- Prepare financial projections, schedules of rates and charges, tax rate proposals and other financial materials.

### Accounting

- Produce monthly expenditure and revenue reports.
- Prepare and present information on financial trends to facilitate evaluation of the District's financial position and identify conditions requiring management attention.
- Prepare periodic reports on the status of expenditures, revenues, investments and actions taken to ensure the financial stability of the District.

## Administration Department Responsibilities

### Budget Office

- Prepare a Strategic Plan that includes projections of short range and long range financial needs, and recommend methods for meeting those needs.
- Prepare the District's proposed capital improvement program and biennial budget.
- Prepare quarterly budget performance reports.
- Prepare the mid-cycle budget.
- Develop and monitor operating procedures and controls to assure compliance with the budget.
- Assist departments throughout the year with their Strategic Plans, budgets and financial issues.

## General Manager Responsibilities

- Review and present to the Board of Directors long range plans, budgets and revisions, schedules of rates and charges, tax rates, payments of financial demands and other financial transactions, as necessary.
- Authorize budget transfers up to 5% of the fiscal years' adopted budget between the operating and capital budgets in each of the Water and Wastewater System's budgets, provided that the total budget for each of the two systems remains unchanged.
- Implement emergency financial procedures within approved limits, when necessary.

## Budget Calendar

**Assess and Evaluate:** Budget goals, Organization needs, Current factors

July	Implement updated Strategic Plan
August	Budget guidelines prepared
September	Capital budget development starts
October	Operating budget development starts New business plans completed
November	Review of capital budget requests begins
December	Review of operating budget requests begins

**Develop:** Capital improvement program, Biennial budget, Water and Wastewater rates

January	Capital improvement program decisions made by Senior Management
February	Operating budget decisions made by Senior Management Water and Wastewater rates to fund budget needs proposed
March	Documents prepared to present proposed budget and rates to Board

**Review, Approve and Implement:** Rates, Fees & Charges, Capital budget, Operating budget

April	General Manager presents proposed operating and capital budgets, and proposed rates, fees and charges to the Board at a budget workshop
June	Public hearing on rates Board adopts operating and capital budgets, and rates, fees and charges
July	Adopted rates and budget implementation begins Operating and capital budget, and rates and charges documents published

## **BUDGETARY CONTROLS**

Automated District-wide budgetary controls track spending to the amounts set in the budget. Budgetary controls function differently for operating budget expenditures and capital budget expenditures.

For the operating budget, each department is controlled within expenditure category: personnel costs, contract services, and operations and maintenance. Departments are not allowed to exceed their authorized operating budget for the fiscal year.

For the capital budget, each capital project is controlled based on its appropriation. A project may not exceed its total appropriation. Unlike the operating budget, which expires on June 30 of each year, capital appropriations are multi-year and will last the life of the project.

## **BUDGET ADJUSTMENTS**

Adjustments to the operating budget are reallocations of funds between organizational units, activities, and/or line items, which allow departments financial flexibility within established budgetary controls. Budget adjustments to the capital budget are reallocations of funds within or between projects. Approval from the affected department(s) and the Budget Office is required for all budget adjustments.

General Manager approval is required for the reallocation of funds from contingency, and the reallocation of funds between the operating and capital budgets in both the Water and Wastewater Systems. Approval from the Board of Directors is required for increases to the total budget of the Water or Wastewater System.



**Resolution – Operating and Capital Budget**

**Resolution 33716-09**

RESOLUTION NO. 33716-09

APPROVING THE BUDGET OF THE EAST BAY MUNICIPAL UTILITY DISTRICT  
WATER AND WASTEWATER SYSTEMS FOR FY10 AND FY11 AND ESTABLISHING  
THE TERMS AND CONDITIONS FOR THE PAYMENT OF DEMANDS AGAINST THE  
DISTRICT

Introduced by Director McIntosh

; Seconded by Director Foulkes

WHEREAS, the General Manager has prepared an estimate of all expenditures necessary and advisable for the proper conduct of the activities of the East Bay Municipal Utility District and submitted the estimate to the Board of Directors in a two-volume set of documents entitled "Proposed Biennial Budget Fiscal Year 2010-2011; Volume I: Executive Summary, Strategic Plan Priorities, Operating Budget; and Volume II: Capital Budget;" and

WHEREAS, a workshop was held on April 14, 2009 at which time the members of the Board of Directors and members of the public were provided an opportunity to review and ask questions about the recommended budget prepared by the General Manager; and

WHEREAS, on April 28, 2009, the Board declared an end to the water shortage emergency condition; and

WHEREAS, due to the end of the drought emergency and due to the Wastewater Department's efforts to meet the requirements of a Federal Stipulated Order regarding the East Bay Regional Wet Weather Program, the General Manager made appropriate staffing adjustments described in redline revisions to the proposed biennial budget on file in the Secretary's office and in the position resolution presented to the Board; and

WHEREAS, the Board has considered all the oral and written information presented to it;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the East Bay Municipal Utility District as follows:

1. The budget for Fiscal Year 2010 and Fiscal Year 2011 presented by the General Manager is hereby approved and adopted as the Fiscal Year 2010 and Fiscal Year 2011 budget for the East Bay Municipal Utility District. Copies of the budget documents, including the proposed budget and redline revisions to it, are on file in the Office of the Secretary and are made a part of this resolution as though set forth in full.

2. For the purposes of complying with section 11891.5 of the Public Utilities Code, the Fiscal Year 2010 and Fiscal Year 2011 budget is expressed in major groups of accounts as indicated below. The following amounts are hereby appropriated for expenditure:

	<u>FY10</u> (\$000)	<u>FY11</u> (\$000)
I. Water System		
Operating Budget	\$208,500	\$217,578
Debt Service	<u>\$141,840</u>	<u>\$150,970</u>
Total Operating Budget	\$350,340	\$368,548
Capital Appropriation Budget	<u>\$175,675</u>	<u>\$173,012</u>
Total Water System Budget	\$526,015	\$541,560
II. Wastewater System		
Operating Budget	\$ 52,923	\$ 55,224
Debt Service	<u>\$ 28,315</u>	<u>\$ 30,592</u>
Total Operating Budget	\$ 81,238	\$ 85,816
Capital Appropriation Budget	<u>\$ 55,815</u>	<u>\$ 16,206</u>
Total Wastewater System Budget	\$137,053	\$102,022

3. The General Manager is authorized to approve the payment of demands against the district in Fiscal Year 2010, without further Board authorization, so long as the demands are incurred for purposes and within the amounts set forth in the projection of the district's operations set forth above with respect to Fiscal Year 2010. Projection of the district's operations with respect to Fiscal Year 2011 will be resubmitted to the Board in June 2010 for review and approval, consistent with Public Utilities Code Section 11891.5.
4. The General Manager is authorized for Fiscal Year 2010 and Fiscal Year 2011 to transfer funds between the Capital Budget and the Operating Budget in both the water and wastewater budgets as required, but not to exceed a variance of five percent and provided that the total budget for each of the two systems remains unchanged.
5. Subject to compliance with 12751 of the Public Utilities Code, authority is hereby delegated to incur obligations for the purposes and within the amounts specified for such purposes in the budget hereby approved under such terms and conditions as the General Manager shall establish.
6. In order to provide for completion of work on projects authorized but not completed as of the close of the fiscal year, balances remaining at the close of Fiscal Year 2009 and Fiscal Year 2010, respectively, are hereby appropriated for expenditure in the subsequent fiscal year, in addition to the applicable fiscal year appropriations for capital and operating expenditures.



7. The Director of Finance is hereby authorized and directed to distribute the Fiscal Year 2010 and Fiscal Year 2011 appropriations to the various accounts of the district in accordance with generally accepted accounting practices and consistent with the purposes and objectives identified in the approved budget. The Director of Finance is further authorized to apply surplus revenues above the targeted reserve levels identified in the approved budget to retire currently outstanding bonds where it is cost-effective to do so, fund capital expenditures in Fiscal Year 2010 and Fiscal Year 2011, or set aside revenues in a restricted fund to fund capital expenditures. The Director of Finance is further authorized to transfer unexpended funds to other approved operations or capital projects, provided that the total Capital Budget and Operating Budget for the water and wastewater systems remain unchanged, except for the five percent variance authorized by this Resolution.
8. Any monies received during Fiscal Year 2010 and Fiscal Year 2011 as a consequence of a grant approved for acceptance by the Board of Directors are hereby appropriated for the purposes for which the grant has been approved. Such appropriation includes authorization for the General Manager to expend such monies and for the Director of Finance to make payments therefor in accordance with the terms and conditions and for the purposes of the grant.
9. The Board hereby declares the district's intent to reimburse itself with the proceeds of one or more issues of tax-exempt bonds, commercial paper notes or other indebtedness (collectively, the "Obligations") for a portion of the costs of the district's capital improvement program for its Water System and Wastewater System, as set forth in the budget for Fiscal Years 2010 and 2011. The maximum principal amount of the

Obligations expected to be issued to finance the costs of such capital improvement program, as set forth in the district's capital budget is \$175.7 million in Fiscal Year 2010 and \$173 million in Fiscal Year 2011 in the Water System, and \$55.8 million for Fiscal Year 2010 and \$16.2 million in Fiscal Year 2011 for the Wastewater System.

Adopted this 9th day of June, 2009 by the following votes:

AYES: Directors Coleman, Foulkes, Katz, McIntosh, Patterson and President Linney.

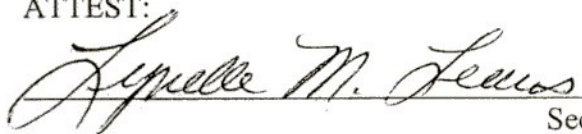
NOES: None.

ABSENT: None.

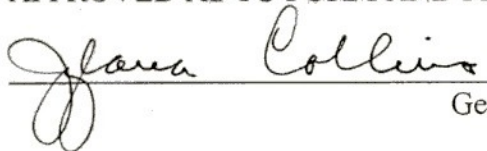
ABSTAIN: None.

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary

APPROVED AS TO FORM AND PROCEDURE

  
\_\_\_\_\_  
General Counsel



**Resolution – Rates, Charges and Fees**

**Resolution 33715-09**

RESOLUTION NO. 33715-09

ADOPTING REVISED REGULATIONS AND REVISED WATER SYSTEM  
SCHEDULE OF RATES AND CHARGES, RECREATION FEES  
AND WASTEWATER SYSTEM SCHEDULE OF CHARGES  
NOT SUBJECT TO PROPOSITION 218

Introduced by Director Katz

; Seconded by Director Patterson

WHEREAS, the Board of Directors is adopting the Fiscal Year 2010 and Fiscal Year 2011 Operating and Capital Biennial Budget for expenditures necessary and advisable for the proper conduct of the activities of the East Bay Municipal Utility District, including funding for needed capital projects and for operation of the water and wastewater systems and to provide an adequate level of financial reserves and debt service coverage; and

WHEREAS, the General Manager filed with the Board of Directors a Report and Recommendation dated May 12, 2009 recommending revisions to the rates and charges to meet the district's revenue requirements for Fiscal Year 2010 and Fiscal Year 2011 including (1) system capacity, installation, and service charges and fees for residential, multi-family, commercial, and industrial customers; (2) Schedules B, C, D, E, F, G, H, J, K, M, and N of the Water System Schedule of Rates and Charges for Customers of the East Bay Municipal Utility District; (3) Schedule G of the Wastewater System Schedule of Rates and Charges for Customers of East Bay Municipal Utility District; (4) Sections 1, 3, 3B and 31 of the Regulations Governing Water Service of the East Bay Municipal Utility District to modify water efficiency requirements for new or expanded water service, adjust the System Capacity Charge, and make additional clarifying changes; and (5) recreation and commercial fees for Lafayette Recreation Area, San Pablo Recreation Area, Pardee Reservoir Recreation Area, Camanche Hills Hunting Preserve and Camanche Reservoir Recreation Area, the watershed trails permit fee and mobile home rents; and

WHEREAS, the changes to rates, charges and fees as described above and as further set forth in this resolution are not subject to Article XIII D, Section 6 of the California Constitution (Proposition 218), but are subject to the public notice and hearing requirements stated in Chapter 11.5 of the Municipal Utility District (MUD) Act; and

WHEREAS, a public workshop and a public hearing, noticed in the manner and for the time required by law, were conducted by the Board of Directors on April 14, and June 9, 2009, respectively, at which time all interested persons were afforded an opportunity to be heard on matters pertaining to revision of the rates and charges, and the General Manager's Report and



Recommendation was available for public inspection and review ten (10) days prior to the public hearing; and

WHEREAS, all comments, objections, and protests to said Report and Recommendation of the General Manager have been given full opportunity to be heard by the Board, and the Board has fully considered said Report and Recommendation; and

WHEREAS, other proposed changes to the district's Water and Wastewater System Schedules of Rates and Charges, which are subject to and comply with the notice and hearing requirements of Article XIII D, Section 6 of the California Constitution (Proposition 218), are included in a separate rate resolution and consideration of those proposed changes has been scheduled for a separate Proposition 218 public hearing on June 9, 2009.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby finds and determines:

1. The service charges adopted herein are imposed to recover the cost of special services provided by the district to the customer. The water demand mitigation fee, the System Capacity Charge ("SCC") and the Standard Participation Charge ("SPC") are levied only as a condition of extending or initiating service upon the request of a customer. The charges adopted herein are not imposed upon real property or upon a person as an incident of property ownership and were not calculated or developed on the basis of any parcel map, including an assessor's parcel map.
2. The purpose of the SCC and the SPC is to finance facilities necessary to provide a supply of water to new development that will be served by the East Bay Municipal Utility District. The proposed adjustment in the SCC and SPC is necessary to finance facilities required to provide water service to projected development that will be served by the district's water distribution system, which facilities are described by category in said Report and Recommendation of the General Manager, and components of which are more specifically described and identified in the "Master Plan for the Distribution System, May 2003 Update," the updated Walnut Creek-San Ramon Valley Master Plan, the Final EIR for the San Ramon Valley Recycled Water Program, the Facilities Plan for the East Bayshore Recycled Water Project, the Final EIR for the Updated Water Supply Management Program ("WSMP"), the WSMP Action Plan, and the 2006 System Capacity Charge Study. The SCC methodology that combines the incremental cost and buy-in methodologies recovers the cost of many existing district facilities, which provide benefit to new users. The SCC for Fiscal Year 2010 is the third year of a five-year phase-in of the recommendations of the 2006 SCC Study.
3. The facts and evidence presented to the Board of Directors establish that there is a reasonable relationship between the need for said identified facilities and the impacts of the types of development for which the SCC and SPC is charged, and there is a reasonable relationship between the use of those fees to finance facilities necessary to provide a supply of water to new development and the type of development for which the

fees are charged. The district's methodology appropriately allocates to the SCC and SPC the costs related to augmenting the district's water supplies to satisfy increased demand associated with future development within the district.

4. The water system rates and charges and wastewater charges as herein described recommended in the General Manager's Report and Recommendation and the recommended recreation fees are designed to recover the estimated cost to provide the services for which said fees are charged.
5. The mobile home rental fees recommended in the Report and Recommendation of the General Manager are based on the district's increased costs to operate the mobile home parks and on the Housing and Urban Development Fair Market Rents Index.

BE IT FURTHER RESOLVED:

6. All objections and protests to the Report and Recommendation of the General Manager are hereby overruled and denied and said Report and Recommendation is hereby accepted and approved.
7. The revised Schedules B, C, D, E, F, G, H, J, K, M, and N of the Water System Schedule of Rates and Charges for Customers of the East Bay Municipal Utility District, beginning Fiscal Year (FY) 2010, and the revised Sections 1, 3, 3B, and 31 of the regulations governing water service to Customers of the East Bay Municipal Utility District, contained in Chapter 4 of the Report and Recommendation of the General Manager, attached hereto as Exhibit A, are hereby adopted and the charges and provisions therein contained are hereby fixed and established to be effective July 1, 2009; provided however that the revised System Capacity Charges (Schedule J), Standard Participation Charges (Schedule H), and Water Demand Mitigation Fees (Schedule N) shall take effect on August 10, 2009.
8. Schedule G of the Wastewater System Schedule of Rates and Charges beginning FY10, contained in Chapter 4 of the Report and Recommendation of the General Manager, is hereby further revised to set the effective date beginning August 10, 2009.
9. The revised Schedule G of the Wastewater System Schedule of Rates and Charges for the EBMUD, beginning Fiscal Year 2010, attached hereto as Exhibit B, is hereby adopted and the charges and provisions therein contained are hereby fixed and established; provided however that the Wastewater Capacity Fees (Schedule G) shall take effect on August 10, 2009.
10. The revised recreation fees and mobile home rents beginning Calendar Year (CY) 2010 and CY11, contained in Chapter 4 of the Report and Recommendation of the General Manager, are hereby further revised to remove 12/30/11 from the effective date.

11. The revised recreation fees and mobile home rents beginning Calendar Year 2010, as set forth in Exhibit C, are hereby fixed and established to be effective January 1, 2010.
12. The revised recreation fees and mobile home rents beginning Calendar Year 2011, as set forth in Exhibit C, are hereby fixed and established to be effective January 1, 2011.
13. The aforesaid actions constitute modification and approval of charges for the purpose of meeting operating expenses, including employee wage rates and fringe benefits; purchasing or leasing supplies, equipment, or material; meeting financial reserve needs and requirements; or obtaining funds for capital projects necessary to maintain service in the existing service area; and the Board therefore determines that its aforesaid actions are exempt from the requirements of the California Environmental Quality Act, and hereby directs the Secretary of the district to file a Notice of Exemption in accordance with applicable statutes and regulations with the County Clerks of Alameda and Contra Costa Counties.

BE IT FURTHER RESOLVED:

14. The appropriate officers of the district are hereby authorized to take such steps as shall be necessary to impose, enforce and collect said charges and should any portion of this Resolution be invalidated by order of a Court of competent jurisdiction, all other portions of this Resolution shall remain in full force and effect until modified or superseded by action of this Board.

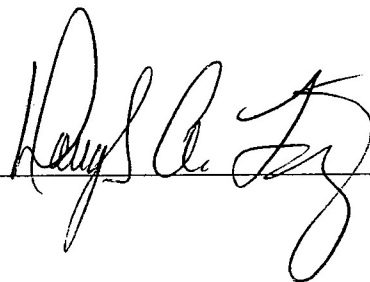
Adopted this 9th day of June, 2009 by the following votes:

AYES: Directors Coleman, Foulkes, Katz, McIntosh, Patterson and President Linney.

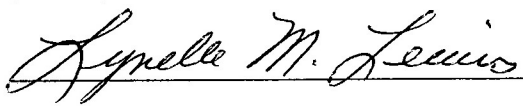
NOES: None.

ABSENT: Director Mellon.

ABSTAIN: None.

  
 \_\_\_\_\_  
 President

ATTEST:

  
 \_\_\_\_\_  
 Secretary

APPROVED AS TO FORM AND PROCEDURE

  
 \_\_\_\_\_  
 General Counsel



**Resolution – Staffing**

**Resolution 33717-09**

RESOLUTION NO. 33717-09

AUTHORIZING THE NUMBER AND CHARACTER OF POSITIONS  
AND AUTHORIZING THE GENERAL MANAGER TO TAKE ACTION IN CONNECTION  
THEREWITH

Introduced by Director Foulkes

; Seconded by Director Patterson

WHEREAS the Board of Directors of the East Bay Municipal Utility District is charged with the responsibility to determine and create the number and character of positions required to carry on the functions of the District; and

WHEREAS the General Manager has filed a report with the Board of Directors recommending that 2055 full-time equivalent (FTE) positions be authorized to carry on the functions of the District in fiscal years 2010 and 2011;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the East Bay Municipal Utility District as follows:

1. That 2055 FTE positions be and hereby are authorized for fiscal years 2010 and 2011, and that said positions are hereby converted, reallocated, created, deleted, and/or flexibly staffed in accordance with Exhibits A, B, and C, which are attached hereto and incorporated herein by this reference, and that the character of the positions (Full-Time Civil Service, Full-Time Civil Service Exempt, Limited Term, Temporary Construction, Temporary, Intermittent, and Part-Time) so authorized shall be as set forth in said exhibits.
2. That the necessary amounts for salaries and benefits for the positions authorized in Section 1 of this Resolution for fiscal year 2010 and fiscal year 2011 which include the classification plan changes set forth in Exhibit C, are hereby authorized and appropriated, and that the salary schedules and monthly salary or wage rates for the positions authorized in Section 1 of this Resolution are approved.
3. That the Board hereby authorizes the General Manager to determine the specific classification and organizational placement within the District for each of the authorized positions and authorizes the General Manager to reallocate, flexibly staff, reassign and/or transfer said existing positions and personnel within the District, provided that (1) the total number of positions that are represented remains unchanged for each fiscal year; (2) the character of the positions as enumerated above and as set forth in Exhibits A, B and C is not changed provided, however, that the General Manager is authorized to flexibly staff regular full-time civil service positions with intermittent civil service positions

consistent with procedures adopted by the General Manager for that purpose; (3) the total approved salaries and benefits for fiscal year 2010 and fiscal year 2011 are not exceeded; (4) this authority is exercised in accordance with applicable District rules, regulations, policies and procedures, including those adopted to implement the District's civil service system set forth at section 12051 *et seq.* of the Municipal Utility District Act and any applicable provisions of relevant Memoranda of Understanding between the District and AFSCME Local 444, AFSCME Local 2019, IFPTE Local 21, and Stationary Engineers Local 39; and (5) the General Manager post notice of such proposed changes in a conspicuous place at the District, and also notify the Board of Directors, AFSCME Local 444, AFSCME Local 2019, IFPTE Local 21, and Stationary Engineers Local 39 of such proposed changes at least seven (7) calendar days prior to making any such change

4. That the continuing operational need for any and all Limited Term and Temporary Construction positions included in the budget for fiscal year 2010 and fiscal year 2011 be evaluated and reported on by departments as part of their budget request for fiscal years 2012-2013. Departments are responsible for ensuring that Limited Term and Temporary Construction positions are terminated at the end of their assigned project and are not reassigned without obtaining approval from the General Manager and the Board.
5. That Resolution No. 33254-01 as amended and Resolution No. 330010-02 as amended and all other resolutions or motions or parts thereof in conflict with this Resolution are revoked, provided that the authority of the General Manager or the General Manager's designate to create special replacement positions (Section 4, Resolution No. 30950; Section 3, Resolution No. 31904, and Section 4, Resolution No. 32084 as amended by Resolution No. 33425-04) and to transfer functions and positions (Section 5, Resolution No. 30950) and to approve special replacement positions/classifications for Limited Term and Temporary Construction positions (Section 3, Resolution No. 31303) and to temporarily replace full-time employees who are absent or are on approved leave as a result of participation in the District's drug and alcohol testing program, not to exceed a maximum of six (6) months and in accordance with applicable District Civil Service Rules (Section 8, Resolution No. 32926-96) and to designate the classification, organizational assignment, duration, and appointments for up to ten (10) Workforce Transition (WT) positions to mitigate near term retirements (Resolution 33678-08) in accordance with applicable District Civil Service Rules shall remain in full force and effect.

BE IT FURTHER RESOLVED by the Board of Directors of the East Bay Municipal Utility District that, in accordance with Exhibit C, attached hereto and incorporated herein:

1. The classification title of Manager of Construction and Maintenance shall be changed to Manager of Distribution Maintenance and Construction and the current incumbent shall be appointed to the retitled position of Manager of Distribution Maintenance and Construction; and
2. The classification title of the vacant Manager of Maintenance Support shall be changed to Manager of Facilities Maintenance and Construction; and

3. The classification title of Manager of Pipeline Construction shall be changed to Manager of Pipeline Construction and Equipment and the current incumbent shall be appointed to the position of Manager of Pipeline Construction and Equipment.

BE IT FURTHER RESOVED that this Resolution shall become effective July 1, 2009.

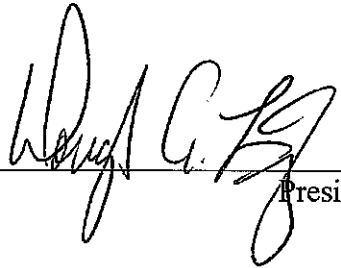
ADOPTED this 9th day of June, 2009 by the following vote:

AYES: Directors Coleman, Foulkes; Katz, McIntosh, Patterson and President Linney.

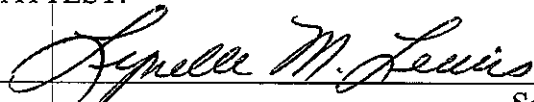
NOES: None.

ABSENT: President Mellon.

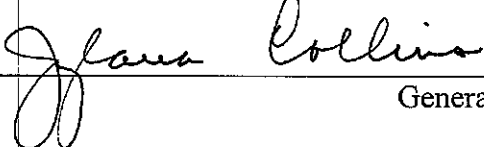
ABSTAIN: None.

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary

APPROVED AS TO FORM AND PROCEDURE:

  
\_\_\_\_\_  
General Counsel



**EXHIBIT "A"**  
**SUMMARY OF STAFF CHANGES**  
 (June 9, 2009)

Group/Department	FY09	FY10	FY11	FY10	FY11
	Amended Staff Years <sup>(1)</sup>	Recommended Staff Years <sup>(2)</sup>	Recommended Staff Years <sup>(2)</sup>	Net Change	Net Change
OPERATIONS & MAINTENANCE SUPPORT	<u>39.0</u>	<u>39.0</u>	<u>39.0</u>	<u>0.0</u>	<u>0.0</u>
MAINTENANCE AND CONSTRUCTION	<u>660.0</u>	<u>660.0</u>	<u>660.0</u>	<u>0.0</u>	<u>0.0</u>
WATER OPERATIONS	<u>196.5</u>	<u>196.5</u>	<u>196.5</u>	<u>0.0</u>	<u>0.0</u>
WATER AND NATURAL RESOURCES	<u>116.0</u>	<u>114.5</u>	<u>114.5</u>	<u>-1.5</u>	<u>0.0</u>
Water Resources	44.0	44.0	44.0	0.0	0.0
Natural Resources	72.0	70.5	70.5	-1.5	0.0
ENGINEERING AND CONSTRUCTION	<u>257.5</u>	<u>257.5</u>	<u>257.5</u>	<u>0.0</u>	<u>0.0</u>
OFFICE OF THE GENERAL MANAGER	<u>32.5</u>	<u>29.5</u>	<u>29.5</u>	<u>-3.0</u>	<u>0.0</u>
FINANCE	<u>296.0</u>	<u>295.0</u>	<u>295.0</u>	<u>-1.0</u>	<u>0.0</u>
Customer and Community Services	145.0	144.0	144.0	-1.0	0.0
Finance	57.0	57.0	57.0	0.0	0.0
Information Systems	94.0	94.0	94.0	0.0	0.0
ADMINISTRATION	<u>161.0</u>	<u>155.0</u>	<u>155.0</u>	<u>-6.0</u>	<u>0.0</u>
Administration	112.5	106.5	106.5	-6.0	0.0
Human Resources	48.5	48.5	48.5	0.0	0.0
OFFICE OF THE GENERAL COUNSEL	<u>16.5</u>	<u>16.5</u>	<u>16.5</u>	<u>0.0</u>	<u>0.0</u>
WATER RECYCLING PROGRAM	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>0.0</u>	<u>0.0</u>
<b>WATER SYSTEM TOTAL</b>	<b>1783.0</b>	<b>1771.5</b>	<b>1771.5</b>	<b>-11.5</b>	<b>0.0</b>
WASTEWATER	287.5	283.5	283.5	-4.0	0.0
<b>DISTRICT-WIDE TOTAL IN FTES<sup>(3)</sup></b>	<b>2070.5</b>	<b>2055.0</b>	<b>2055.0</b>	<b>-15.5</b>	<b>0.0</b>

Notes <sup>(1)</sup>, <sup>(2)</sup>, <sup>(3)</sup> - See page 2

**EXHIBIT "A"**  
**SUMMARY OF STAFF CHANGES**  
 (June 9, 2009)

TOTAL POSITIONS AUTHORIZED BY TYPE OF STATUS	FY10 Positions	FY10 Net Change	FY11 Positions	FY11 Net Change
Full-Time	1943.0	+2.0	1943.0	0.0
Temporary	59.0	-6.0	59.0	0.0
Part-Time	15.0	+3.0	15.0	0.0
Intermittent	4.0	0.0	4.0	0.0
Temporary Construction and Limited-Term	72.0	-16.0	72.0	0.0
<b>DISTRICT-WIDE TOTAL IN POSITIONS<sup>(3)</sup></b>	<b>2093.0</b>	<b>-17.0</b>	<b>2093.0</b>	<b>0.0</b>

**Notes to Exhibit A:**

- (1) Amended staffing applies mid-year Board actions, changes to the FY09 Position Resolution under the General Manager's authority, position transfers, and administrative corrections.
- (2) Regular Full-Time, Temporary Construction, and Limited Term Positions = 1.0 staff year  
 Part-Time and Temporary = .5 staff year  
 Intermittent = .75 staff year
- (3) The District-wide full-time equivalent (FTE) total takes into account that temporary, part-time and intermittent positions are valued at less than 1.0 staff years each. The District-wide position total does not make that distinction.

**EXHIBIT "B"**  
**FY10**  
**POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING**  
**(June 9, 2009)**

**Maintenance & Construction**

ORG	FTE Change	From	To	Monthly Salary Range	Representation Change						Explanation	
					2019	444	21	39	MC	NR/ Exempt		
722	None	1.0 Reg / LT Sr. Dispatch/Contact Center Rep / Reg / LT Dispatch/Contact Center Rep	1.0 Reg Dispatch/Contact Center Representative	57/53	X							Completion of organizational changes in the Dispatch Center
722	None	1.0 Asst. C&M Superintendent	1.0 Senior Supervisor of Main. Shift Operations / Asst. C&M Superintendent	76		X						Implements letter of agreement between District and Local 21 regarding supervision of shift operations.

**Natural Resources**

ORG	FTE Change	From	To	Monthly Salary Range	Representation Change						Explanation	
					2019	444	21	39	MC	NR/ Exempt		
491	-0.5	1.0 LT Recreation Area Attendant	1.0 P/T Recreation Area Attendant	45	X							Reduction in inspection requirements for the invasive species control program at Pardee and Camanche Reservoirs.
491	-0.5	1.0 LT Recreation Area Attendant	1.0 P/T Recreation Area Attendant	45	X							
491	-0.5	1.0 LT Recreation Area Attendant	1.0 P/T Recreation Area Attendant	45	X							

**EXHIBIT "B"**  
**FY10**  
**POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING**  
**(June 9, 2009)**

**Office of the General Manager**

		Representation Change									
ORG	FTE Change	From	To	Monthly Salary Range	2019	444	21	39	MC	NR/ Exempt	Explanation
116	-1.0	1.0 LT Public Information Rep I/II	None	69			-1				Reduction in staffing resulting from end of drought emergency.
116	-1.0	1.0 LT Community Affairs Rep II	None	69			-1				Reduction in staffing resulting from end of drought emergency.
116	-1.0	1.0 LT Administrative Clerk	None	49	-1						

**Customer & Community Services**

		Representation Change									
ORG	FTE Change	From	To	Monthly Salary Range	2019	444	21	39	MC	NR/ Exempt	Explanation
245	-1.0	1.0 LT Field Services Rep I/II	None	53/57	-1						Reduction in staffing resulting from end of drought emergency.
246	None	1.0 LT Customer Services Manager	1.0 TC Customer Services Manager	78					X		
246	None	2.0 LT Customer Services Supervisor	2.0 TC Customer Services Supervisor	69			X				Conversion of expiring LT positions to TC status to support completion of the Customer Information System (CIS) Replacement Project.
246	None	1.0 LT Information Systems Administrator	1.0 TC Information Systems Administrator	73			X				
246	None	3.0 LT Info Systems Support Analyst I/II	3.0 TC Info Systems Support Analyst I/II	61/70	X						

**EXHIBIT "B"**  
**FY10**  
**POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING**  
**(June 9, 2009)**

**Administration**

		Representation Change									
ORG	FTE Change	From	To	Monthly Salary Range	2019	444	21	39	MC	NR/ Exempt	Explanation
314	-1.0	1.0 LT Administrative Clerk	None	46	-1						
314	-2.0	2.0 LT Water Conservations Reps	None	64	-2						Reduction in staffing resulting from end of drought emergency.
314	-3.0	6.0 Temp. Water Conservation Techs	None	57						-6.0	

**Wastewater**

		Representation Change									
ORG	FTE Change	From	To	Monthly Salary Range	2019	444	21	39	MC	NR/ Exempt	Explanation
900	1.0	None	1.0 Special Assistant III	86						1.0	Staffing to support the East Bay Regional Wet Weather Program's new focus on Inflow and Infiltration control and reduction.
910	1.0	None	1.0 Senior Civil, Mechanical Engineer	82			1.0				
910	-1.0	1.0 LT Associate Civil, Mech. Engineer / Assistant Eng	None	76 / 72	-1						Reduction in LT staffing support to Wastewater Asset Management, Business Recovery, and Emergency Response programs pending assessment of work completed and determination of on-going resource needs.
910	-1.0	1.0 LT Sr. Civil, Mech. Engineer	None	82			-1				

**EXHIBIT "B"**  
**FY10**  
**POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING**  
**(June 9, 2009)**

**Wastewater**

			Representation Change								
ORG	FTE Change	From	To	Monthly Salary Range	2019	444	21	39	MC	NR/ Exempt	Explanation
911	-2.0	2.0 LT Painter	None	60		-2					Expiration of LT position authorized in anticipation of large scale painting projects – project and on-going maintenance work to be supported with regular painting staff.
928	-1.0	1.0 LT Senior Administrative Clerk	None	55	-1						LT position is no longer required - consolidation of manual Wastewater facility drawings into electronic media is nearly complete.
942	-1.0	1.0 LT Supervising Wastewater Control Inspector	None	72			-1				LT position is no longer needed – the regular supervisory position assigned to the work unit has been filled.
<b>Total FY10 Representation Change</b>					<b>-7.0</b>	<b>-2.0</b>	<b>-3.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-5.0</b>	

Notes to Exhibit B:

1. "X" in the "Representation Change" column indicates no change

**EXHIBIT "C"**  
**FY10 – FY11**  
**CLASSIFICATION PLAN CHANGES**  
**(JUNE 9, 2009)**

**CLASSIFICATION ADDITIONS**

Class Code	Class Title	Monthly Salary Range	Rep. Unit	Explanation
2516	Senior Supervisor of Maintenance Shift Operations	76 (\$8,190 - \$9,480)	Local 21	Implements letter of agreement between District and Local 21 regarding supervision of shift operations.

**CLASSIFICATION DELETIONS**

Class Code	Class Title	Monthly Salary Range	Rep. Unit	Explanation
1402	Management Services Administrator	MSP 74 (\$6,941 - \$10,023)	Exempt	Obsolete classifications no longer in use as a result of prior reorganizations.
1550	Manager of Customer Service	MSP 86 (\$9,330 - \$13,477)	Exempt	

**OTHER CLASSIFICATION PLAN CHANGES**

FROM		TO				
Class Code	Class Title	Salary Range	Class Title	Salary Range	Rep. Unit	Explanation
1545	Manager of Construction and Maintenance	MSP 86 (\$9,330 - \$13,477)	Mgr. of Distribution Maintenance and Construction	MSP 86 (\$9,330 - \$13,477)	Exempt	Title update consistent with division responsibilities for distribution system maintenance and construction.
1546	Manager of Maintenance Support	MSP 86 (\$9,330 - \$13,477)	Mgr. of Facilities Maintenance and Construction	MSP 86 (\$9,330 - \$13,477)	Exempt	Title update consistent with division responsibilities for all facilities maintenance and construction.
1544	Manager of Pipeline Construction	MSP 86 (\$9,330 - \$13,477)	Mgr. of Pipeline Construction and Equipment	MSP 86 (\$9,330 - \$13,477)	Exempt	Title update consistent with division responsibilities for pipeline construction and equipment management.





**GLOSSARY**

## Glossary of Terms

<b>AA</b>	Affirmative Action. Results-oriented actions taken to assure that positions are genuinely and equally accessible to qualified persons without regard to their sex, racial or ethnic characteristics, disability, or status as special veterans.
<b>A &amp; G</b>	Administrative and General. Charges for shared services such as technology, human resources and legal costs that are applied to departments in calculating the total cost of a department that provides services to District customers.
<b>Adopted Budget</b>	Biennial financial plan and policy statement on the operating and capital programs of the District, approved by the Board of Directors in June for the subsequent fiscal years.
<b>Amended Budget</b>	The adopted budget, with any mid-year changes in direction, additional programs or modifications in assumptions.
<b>Appropriation</b>	Board approved funding for capital Reference Projects for which relatively accurate time estimates can be made. Unspent appropriations carry forward to the next fiscal year.
<b>General Fund Reserves</b>	An account used to record funds that are not legally restricted for specified purposes, such as those committed to repay obligations. Available reserve funds provide for self-insurance claims, unplanned revenue changes, working capital, and unanticipated contingencies.
<b>Board of Directors (Board)</b>	The seven public officials elected to represent the seven wards within the District service area.
<b>Bonds</b>	Borrowed monies allocated to pay for specific capital programs. Debt service payments are made to repay the bond holders. The District's goal is to limit debt funded capital to no more than 65% of the total capital program.
<b>Bond Reserve Fund</b>	Funds set aside to be used for debt service, often a requirement in bond covenants.
<b>Budget</b>	A financial plan for a specified period of time (Fiscal Year) that matches planned revenues and expenditures with various District services, projects and programs.
<b>Cash Flow</b>	Projected cash disbursements for a given time period, often a fiscal year.
<b>CCF</b>	One hundred cubic feet which equals 748 gallons.
<b>CIP</b>	Capital Improvement Program. Board approved set of projects that typically results in the construction of new capital facilities, or the modification or upgrade of existing facilities over a 10-year period. Project costs include all expenditures required to purchase, study, plan, design, construct or repair/upgrade new or existing physical facilities.

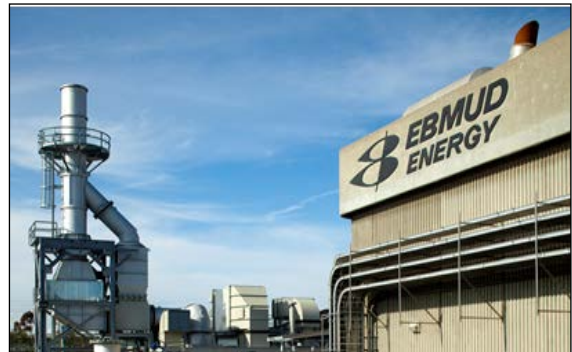
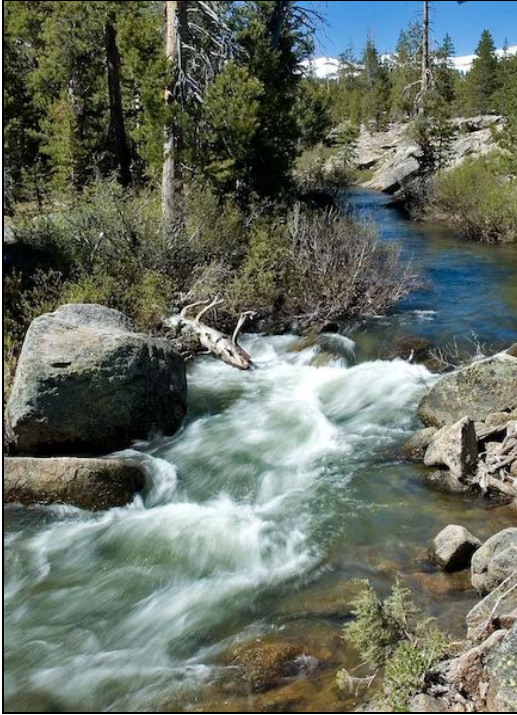
<b>CIS</b>	Customer Information System. The District's computer system for billing customers, collecting revenue and recording account information.
<b>Commercial Paper</b>	Limited term financing for capital projects. Commercial paper is repaid by bond funding once the bonds are sold.
<b>Conversion</b>	Change in position status/type. For example, a position may change from Limited Term or Temporary Construction to Permanent.
<b>CSC</b>	Capital Steering Committee. Consists of Department Directors and Managers responsible for developing the capital budget and oversight of the CIP.
<b>Debt Service</b>	Expenditures for interest and principal repayment on bonds or other debt.
<b>Debt Service Coverage</b>	The ratio of net revenues to debt service requirements. The District's goal is to maintain a debt coverage ratio of at least 1.6.
<b>Department</b>	A major organizational unit with overall managerial responsibility for functional programs of the District. Each department has its own three-letter code.
<b>DERWA</b>	Dublin San Ramon Services District, East Bay Municipal Utility District, Recycled Water Authority. A joint program to supply recycled water to portions of San Ramon, Danville, Blackhawk and surrounding areas.
<b>Distribution System</b>	Water treatment plants, storage reservoirs, pumping plants, pipelines, and appurtenances that treat and transmit water to District customers.
<b>Division</b>	A major organizational unit of a Department. Most departments have several divisions each providing different services.
<b>EBMUD</b>	East Bay Municipal Utility District. A publicly owned utility formed in 1923 under the Municipal Utility District Act to provide water service in portions of Alameda and Contra Costa Counties. Also referred to as the District.
<b>EIR/EIS</b>	Environmental Impact Report or Environmental Impact Statement. A detailed report or statement describing and analyzing the significant environmental effects of a project and discussing ways to mitigate or avoid the effects.
<b>EOP</b>	Emergency Operations Plan. A plan to help manage the District's critical functions during an emergency to protect people, property and the environment.
<b>Expenditure</b>	The payment of an obligation from the District's cash amounts.
<b>Fiscal Year</b>	The 12-month period that begins July 1 and ends June 30 of the following year.
<b>Flexible Staffing</b>	An option that allows one position to be filled by two or more different job classifications.
<b>FRWP</b>	Freeport Regional Water Project. A joint project with the Sacramento County Water Agency to secure a supplemental dry-year water supply.

<b>FTE</b>	Full-Time Equivalent. The ratio of the number of hours an employee is paid compared to the number of working hours. An employee who works full time counts as 1 FTE or 1 staff year, based on one year equaling 52 weeks times 40 hours/week, or 2,080 hours. An employee who works part-time or half of a year, counts as .5 FTE.
<b>Fund</b>	A fiscal entity with a set of accounts recording financial resources, together with all related liabilities, which are segregated for the purpose of carrying on specific activities in accordance with special regulations or restrictions. The primary District funds are the Water System General Fund (WSG) and Wastewater General Fund (WWG).
<b>General Fund Reserves</b>	An account used to record funds that are not legally restricted for specified purposes, such as those committed to repay obligations. General Fund Reserves provide for self-insurance claims, unplanned revenue changes, working capital, worker's compensation, and unanticipated contingencies.
<b>General Manager (GM)</b>	The chief executive officer of the District hired by the Board of Directors.
<b>GHG</b>	Greenhouse Gas. Emissions of carbon dioxide, nitrous oxide, methane, hydrofluorocarbons, perfluorocarbons, and sulphur hexafluoride.
<b>Goal</b>	An action statement that emphasizes the direction established by the Board of Directors and departments for important outcomes the District wants to achieve.
<b>In-Service Date</b>	The date by which a capital project is expected to become operational.
<b>Infrastructure</b>	The components that ensure delivery of reliable, high quality water service now and in the future. Typical components are reservoirs, pumping plants, and pipelines.
<b>Intermittent Employee</b>	Employees who work less than full-time, but one-half or more of a standard workday or a workweek or more than 1,040 aggregate hours per payroll year.
<b>JSA Mokelumne</b>	Joint Settlement Agreement between EBMUD, US Fish and Wildlife, and California Department of Fish and Game for the license agreement in the Lower Mokelumne River Project.
<b>Key Performance Indicators (KPI)</b>	Indicators with specific targets that measure how well the District is progressing achieving its goals under the Strategic Plan.
<b>LT Position</b>	Limited Term positions are limited to 2 years in duration, unless extended by the General Manager for a maximum of 4 years from the position creation date. LT positions are intended to augment regular District staff to accomplish extra work or other operational programs and activities.
<b>MGD</b>	Million Gallons per Day. One MGD = 3.07 acre feet (the volume of water required to cover 1 acre of land to a depth of 1 foot).

<b>MOU</b>	Memoranda of Understanding. A document outlining the terms and details of an agreement between parties, including the responsibilities of each party.
<b>NPDES</b>	National Pollution Discharge Elimination System. The California Regional Water Quality Control Board issues the District a NPDES permit which regulates the District's discharge of treated wastewater.
<b>O &amp; M</b>	Operations and Maintenance Department.
<b>Objective</b>	Specific plans, programs or activities to be accomplished in the near term to achieve the District's goals.
<b>Operating Budget</b>	A financial plan for providing ongoing services and support; excludes the building of capital assets which are included in the capital budget.
<b>Organization</b>	A group of people organized into one unit or section working under a division or department. This is the level at which operating budgets are developed.
<b>Part-Time</b>	Employee restricted from working no more than 832 hours in a payroll year including paid leave.
<b>Program</b>	One or more activities combined in a related group for purposes of discussion and decision making. Programs are used in a specific plan to accomplish an objective. Capital programs represent a group of related Reference Projects combined to facilitate planning and decision making.
<b>Proposed Budget</b>	An estimation of how much should be spent in the coming fiscal year beginning July 1 <sup>st</sup> to meet the goals and objectives established by the Board of Directors.
<b>PZI</b>	Pressure Zone Improvements. Improvements to the portion of the water distribution system in which all premises are served through meters within a specific range (about every 100 feet of elevation) and supplied by the same major facilities through an interconnected pipeline network.
<b>RARE</b>	Richmond Advanced Recycled Expansion water project conserves EBMUD's drinking water supplies by providing the Chevron refinery with high quality recycled boiler feedwater.
<b>Rate Control Station</b>	Facility that controls rate of water flow within pipelines in the water system.
<b>Rate Funded Expenditures</b>	Annual operations & maintenance expenses are funded from current revenues, along with a portion of the capital program.
<b>Rates</b>	Charges for services to District customers that cover the costs of such services while allowing the District to maintain reasonable available reserves.
<b>Reallocation</b>	Change in position classification and function, such as changing a Utility Laborer to a Water Distribution Plumber III. This action results in no net change in FTE.

<b>Reference Project</b>	A discrete set of tasks coordinated by a project manager. Appropriation requests and projected cash flow spending are authorized at the reference project level.
<b>Restricted Reserves</b>	Monies that, by action of the Board, State Law or Bond Covenants, are to be spent on specific programs or held for specified purposes.
<b>Revenue</b>	Monies the District receives in exchange for services or sales provided by the District. Revenues are used to pay expenditures.
<b>Sewer Interceptor</b>	Large diameter pipes that collect sanitary sewer waste from the cities' smaller sewers (e.g., trunks and mains) and convey to the EBMUD Main Wastewater Treatment Plant in Oakland known as Special District 1 (SD-1).
<b>SD-1</b>	Special District No. 1. Created in 1944, responsible for the treatment and disposal of all domestic, commercial and industrial wastewater from the cities of Alameda, Albany, Berkeley, Emeryville, Oakland, Piedmont, and the Stege Sanitary District (City of El Cerrito, Richmond annex and the Kensington area).
<b>SIP</b>	Seismic Improvement Program. A District program to strengthen, reinforce and upgrade water treatment and distribution systems to ensure post earthquake water service.
<b>Staff Year</b>	The percentage of a year an employee is paid to work. An employee who works full-time would count as 1 Staff Year, or 1 FTE.
<b>Strategic Plan</b>	A document that provides a blueprint for how the District will respond to future challenges and changing priorities. It outlines the specific goals, strategies and objectives that will be pursued to move the District to where it wants to be, and establishes a set of criteria to measure progress.
<b>Strategy</b>	In the CIP it is a grouping of related programs, and is the highest level for grouping capital activities. In the Strategic Plan it is the direction or course of action to be taken for the District to reach its goals.
<b>System Capacity Charges (SCC)</b>	Charges paid at the time of connection for capital facilities that have been constructed to provide water service, such as source water reservoirs, transmission facilities, treatment facilities, and treated water storage facilities.
<b>TC Position</b>	Temporary Construction positions are of a limited and temporary duration, typically associated with a capital Reference Project.
<b>Ultimate Service Boundary</b>	The maximum area which the District can extend its delivery of water service without securing approval of the State Water Resources Control Board (SWRCB) and other governmental agencies.
<b>WSMP</b>	Water Supply Management Program. A plan for ensuring a reliable high quality water supply for the future that includes obtaining supplemental supplies, water conservation, and water recycling.

*Water and Wastewater System  
Schedules of Rates and Charges and Fees  
As of July 1, 2013*



*East Bay Municipal Utility District  
Oakland, California*







**WATER AND WASTEWATER SYSTEM  
SCHEDULES OF RATES AND CHARGES  
AND FEES**

**As of July 1, 2013**

*East Bay Municipal Utility District  
Oakland, California*



**SCHEDULE OF RATES, CHARGES AND FEES TO CUSTOMERS  
OF THE EAST BAY MUNICIPAL UTILITY DISTRICT  
As of July 1, 2013**

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**SCHEDULE OF RATES, CHARGES AND FEES TO CUSTOMERS  
OF THE EAST BAY MUNICIPAL UTILITY DISTRICT  
As of July 1, 2013**

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**SCHEDULE OF RATES, CHARGES AND FEES TO CUSTOMERS  
OF THE EAST BAY MUNICIPAL UTILITY DISTRICT  
As of July 1, 2013**

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**SCHEDULE OF RATES, CHARGES AND FEES TO CUSTOMERS  
OF THE EAST BAY MUNICIPAL UTILITY DISTRICT  
As of July 1, 2013**

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## **EAST BAY MUNICIPAL UTILITY DISTRICT**

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### **INTRODUCTION**

This document contains all of the Water and Wastewater System Schedules of Rates and Charges and Fees that are in effect for fiscal year 2014 and their effective dates. The schedules of recreation fees (except for Camanche Hills Hunting Preserve fees), which are on a calendar year basis, are shown effective for July - December 2013 and January - June 2014. Camanche Hills Hunting Preserve fees are effective October 1, 2013- September 30, 2014.

Included are the Water System rates for water service, account establishment and special services such as meter testing and service interruption, charges for water service installation, private fire service installation, public fire hydrant installation, water main extension and system capacity charges. Also included are the Wastewater System rates for treatment service, wet weather facilities charge, laboratory charges, permit fees and capacity fees. Other District fees include real property use application and duplication of records fees. All District rates, fees and charges that are in effect regardless of the type, date of origin or last revision are included.



**Water System Rates  
Charges and Fees**



## **RECOMMENDED SCHEDULES OF RATES, CHARGES AND FEES**

**FY14**

### Water System

Schedule A – Rate Schedule for Water Service

Schedule B – Account Establishment Charge

Schedule C – Charges for Special Services

Schedule D – Water Service Installation Charges

Schedule E – Private Fire Service Installation Charges

Schedule F – Public Fire Hydrant Installation Charges

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Schedule H – Standard Participation Charge (SPC)

Schedule J – System Capacity Charge (SCC)

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Schedule N – Water Demand Mitigation Fees



**Schedule A**

**Rate Schedule for Water Service**

**FY14**







**SCHEDULE A**

**RATE SCHEDULE FOR WATER SERVICE**

**A. ONE MONTH BILLING**

Bills for all metered services shall consist of:

FIRST - A WATER SERVICE CHARGE and A SEISMIC IMPROVEMENT PROGRAM SURCHARGE based on the size of a standard meter:

SIZE	SERVICE CHARGE AMOUNT	SEISMIC IMPROVEMENT PROGRAM SURCHARGE
5/8 and 3/4 inch meters .....	\$13.42	\$1.25
1 inch meter .....	21.58	3.15
1-1/2 inch meter .....	34.79	6.29
2 inch meter .....	50.83	10.06
3 inch meter .....	88.23	18.86
4 inch meter .....	141.65	31.42
6 inch meter .....	275.22	62.85
8 inch meter .....	435.51	100.55
10 inch meter .....	622.51	144.55
12 inch meter .....	862.94	201.09
14 inch meter .....	1,103.37	257.67
16 inch meter .....	1,397.22	326.79
18 inch meter .....	1,691.08	395.92

The service charge and seismic improvement program surcharge for a special type of meter or for a battery of meters installed on one service in lieu of one meter will be based on the size of a single standard meter of equivalent capacity as determined by the District.

The seismic improvement program surcharge is effective on each potable water bill through February 28, 2025. The seismic improvement program surcharge shall not be applied to nonpotable water service.

Effective July 1, 1997, when a meter larger than 4 inches is required for a single-family residential customer in order to maintain adequate water pressure, the maximum service charge amount and seismic improvement program surcharge shall be set at the 4-inch meter level.



SCHEDULE A

RATE SCHEDULE FOR WATER SERVICE

**A. ONE MONTH BILLING (Continued)**

SECOND - A SEISMIC IMPROVEMENT PROGRAM SURCHARGE for each Single Family Residential or Multiple Family Residential account.

SEISMIC  
IMPROVEMENT PROGRAM  
SURCHARGE PER ACCOUNT

Single Family Residential Accounts	\$1.25
Multiple Family Residential Accounts	5.90

THIRD - A WATER FLOW CHARGE FOR WATER DELIVERED and A SEISMIC IMPROVEMENT PROGRAM SURCHARGE based on one month meter readings for all water delivered per 100 cu. ft.:

	WATER FLOW CHARGE PER 100 CU. FT.	SEISMIC IMPROVEMENT PROGRAM SURCHARGE PER 100 CU. FT.
<u>Potable Water Service</u>		
Single Family Residential Accounts:		
For the first 172 gpd	\$2.66	\$--
For all water used in excess of 172 gpd, up to 393 gpd	3.29	--
For all water used in excess of 393 gpd	4.04	--
Multiple Family Residential Accounts:		
For all water used	3.36	--
All Other Water Use:		
For all water used	3.48	.14

All individually metered multi-family dwelling units or individually metered mobile home residential units that receive District service shall be billed at the single family residential rate.

The seismic improvement program surcharge is effective on each potable water bill through February 28, 2025. The seismic improvement program surcharge shall not be applied to nonpotable water service.



SCHEDULE A

RATE SCHEDULE FOR WATER SERVICE

**A. ONE MONTH BILLING (Continued)**

WATER FLOW  
CHARGE PER  
100 CU. FT.

Nonpotable Water Service

For all water used	\$2.90
--------------------	--------

Nonpotable Water Use Incentive Rate

A customer for whom the District has determined, pursuant to Section 30 of the Water Service Regulations, that the provision of nonpotable water service is feasible and to whom the District has issued written notification that specifies a date by which the customer site must be ready to accept nonpotable water service, shall ready the site by the date specified or pay the Nonpotable Water Use Incentive Rate for all potable water used during the period of noncompliance. The Nonpotable Water Use Incentive Rate shall be charged at a rate 20 percent higher than the applicable potable water flow charge.



SCHEDULE A

RATE SCHEDULE FOR WATER SERVICE

**B. TWO MONTH BILLING**

Bills for all metered services shall consist of:

FIRST - A WATER SERVICE CHARGE and A SEISMIC IMPROVEMENT PROGRAM SURCHARGE based on the size of a standard meter:

SIZE	SERVICE CHARGE AMOUNT	SEISMIC IMPROVEMENT PROGRAM SURCHARGE
5/8 and 3/4 inch meters .....	\$26.84	\$2.50
1 inch meter .....	43.16	6.30
1-1/2 inch meter .....	69.58	12.58
2 inch meter .....	101.66	20.12
3 inch meter .....	176.46	37.72
4 inch meter .....	283.30	62.84
6 inch meter .....	550.44	125.70
8 inch meter .....	871.02	201.10
10 inch meter .....	1,245.02	289.10
12 inch meter .....	1,725.88	402.18
14 inch meter .....	2,206.74	515.34
16 inch meter .....	2,794.44	653.58
18 inch meter .....	3,382.16	791.84

The water service charge and seismic improvement program surcharge for a special type of meter or for a battery of meters installed on one service in lieu of one meter will be based on the size of a single standard meter of equivalent capacity as determined by the District.

The seismic improvement program surcharge is effective on each potable water bill through February 28, 2025. The seismic improvement program surcharge shall not be applied to nonpotable water service.

Effective July 1, 1997, when a meter larger than 4 inches is required for a single-family residential customer in order to maintain adequate water pressure, the maximum service charge amount and seismic improvement program surcharge shall be set at the 4-inch meter level.

SECOND - A SEISMIC IMPROVEMENT PROGRAM SURCHARGE for each Single Family Residential or Multiple Family Residential account.



SCHEDULE A

RATE SCHEDULE FOR WATER SERVICE

**B. TWO MONTH BILLING (Continued)**

SEISMIC IMPROVEMENT  
PROGRAM SURCHARGE  
PER ACCOUNT

Single Family Residential Accounts	\$2.50
Multiple Family Residential Accounts	11.80

THIRD - A WATER FLOW CHARGE FOR WATER DELIVERED and A SEISMIC IMPROVEMENT PROGRAM SURCHARGE based on two month meter readings for all water delivered per 100 cu. ft.

	WATER FLOW CHARGE PER 100 CU. FT.	SEISMIC IMPROVEMENT PROGRAM SURCHARGE PER 100 CU. FT.
<u>Potable Water Service</u>		
Single Family Residential Accounts:		
For the first 172 gpd	\$2.66	\$--
For all water used in excess of 172 gpd, up to 393 gpd	3.29	--
For all water used in excess of 393 gpd	4.04	--
Multiple Family Residential Accounts:		
For all water used	3.36	--
All Other Water Use:		
For all water used	3.48	.14

All individually metered multi-family dwelling units or individually metered mobile home residential units that receive District service shall be billed at the single family residential rate.

The seismic improvement program surcharge is effective on each potable water bill through February 28, 2025. The seismic improvement program surcharge shall not be applied to nonpotable water service.



SCHEDULE A

RATE SCHEDULE FOR WATER SERVICE

**B. TWO MONTH BILLING (Continued)**

WATER FLOW  
CHARGE PER  
100 CU. FT.

Nonpotable Water Service

For all water used	\$2.90
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Nonpotable Water Use Incentive Rate

A customer for whom the District has determined, pursuant to Section 30 of the Water Service Regulations, that the provision of nonpotable water service is feasible and to whom the District has issued written notification that specifies a date by which the customer site must be ready to accept nonpotable water service, shall ready the site by the date specified or pay the Nonpotable Water Use Incentive Rate for all potable water used during the period of noncompliance. The Nonpotable Water Use Incentive Rate shall be charged at a rate 20 percent higher than the applicable potable water flow charge.



**SCHEDULE A**

**RATE SCHEDULE FOR WATER SERVICE**

**C. EXCEPTION TO TWO MONTH BILLING**

Except as provided below, customer accounts will be subject to bi-monthly meter reading and customer billing schedules.

- Accounts for which the average monthly bill is estimated to exceed \$1500; such account will be billed monthly.
- Accounts for which there are reasonable and justifiable customer requests for monthly billing.
- Accounts for which the average monthly bill is estimated to be between \$100 and \$1500, and the customer service manager recommends monthly billing based on an evaluation of credit and/or collection problems.

**D. PRIVATE FIRE SERVICES**

Effective July 1, 2005, the rates for Private Fire Services shall consist of:

FIRST - A MONTHLY SERVICE CHARGE and A SEISMIC IMPROVEMENT PROGRAM SURCHARGE based on the size of a standard meter:

SIZE	SERVICE CHARGE AMOUNT	SEISMIC IMPROVEMENT PROGRAM SURCHARGE
5/8 and 3/4 inch meters .....	\$11.35	\$1.25
1 inch meter .....	16.29	3.15
1-1/2 inch meter .....	24.34	6.29
2 inch meter .....	34.10	10.06
3 inch meter .....	56.86	18.86
4 inch meter .....	89.37	31.42
6 inch meter .....	170.63	62.85
8 inch meter .....	268.17	100.55
10 inch meter .....	381.97	144.55
12 inch meter .....	528.27	201.09
14 inch meter .....	674.56	257.67
16 inch meter .....	853.37	326.79
18 inch meter .....	1,032.20	395.92



**SCHEDULE A**

**RATE SCHEDULE FOR WATER SERVICE**

**D. PRIVATE FIRE SERVICES (Continued)**

The seismic improvement program surcharge is effective on each potable water bill through February 28, 2025. The seismic improvement program surcharge shall not be applied to nonpotable water service.

Effective July 1, 1997, when a meter larger than 4 inches is required for a single-family residential customer in order to maintain adequate water pressure, the maximum service charge amount and seismic improvement surcharge shall be set at the 4-inch meter level.

**SECOND - A WATER FLOW CHARGE FOR WATER DELIVERED** based on two-month meter readings for all water delivered per 100 cu. ft.:

There shall be no charge for water used through such services extinguishing accidental fires, but any water lost through leakage or used in violation of the District's Regulations shall be paid for at double the rate for general use.

**E. ELEVATION SURCHARGE**

Elevation Designator	AMOUNT PER 100 CU. FT.
0 and 1	\$0.00
2 through 5	0.50
6 and greater	1.02

Elevation surcharge is determined by the pressure zone in which the service connection is located. Pressure zones are identified by designations which include an elevation designator.

**F. SUPPLEMENTAL SUPPLY SURCHARGE**

<u>Potable Water Service</u>	<u>Surcharge Amount</u>
All potable water customer accounts	14% of the total water flow charge for water delivered for the billing period

The supplemental supply surcharge is effective on each potable water bill after the District Board declares a need to use the Freeport Project to deliver supplemental supplies from outside of the District's normal watershed. The supplemental supply surcharge shall not be applied to nonpotable water service.



**Schedule B**

**Account Establishment Charge**

**FY14**





SCHEDULE B

ACCOUNT ESTABLISHMENT CHARGE

The charge for establishing a new account or the transfer of an account for a customer moving from one address to another is \$38.00 with the following exceptions:

- Customers in the Customer Assistance Program shall be charged \$14.00.
- Landlords requiring temporary water service for a period not to exceed 60 days shall be charged \$14.00, with the balance of the account establishment charge billed for water service that exceeds 60 days.
- There will be no transfer fee to change the name of an account when the responsible party is a landlord who has signed an intervening water service agreement.
- There will be no transfer fee to change the name of an account when the same person or entity is to remain responsible.
- Upon completion of the on-line account establishment system, the charge for establishing a new account or the transfer of an account moving from one address to another on EBMUD's website over the Internet for a single family residence customer is \$19.00.



**Schedule C**

**Charges for Special Services**

**FY14**





**SCHEDULE C**

**CHARGES FOR SPECIAL SERVICES**

**A. METER TESTING**

Charges for meter testing will be in accordance with the following schedule:

SIZE OF METER	TESTING CHARGES
5/8", 3/4", and 1"	\$53.00
1-1/2" and 2"	\$42.00 On Site \$109.00 Pull/Test
3" and larger	\$255.00 On Site Actual Cost Pull and Test

**B. SERVICE INTERRUPTION**

The charge for shutting off water service due to non-payment of a water bill is..... \$31.00

The charge for restoring service after payment has been received during regular office hours is ..... \$31.00

The charge for restoring service between 5 p.m. and 8 a.m. or on Saturday, Sunday or on a holiday is ..... \$48.00

A Service Trip charge of \$31.00 shall be paid in the event of the following occurrences in the field: 1) payment collection; 2) payment extension; and 3) any additional field stops to shut off service beyond the initial service interruption, including EBMUD locking the meter if the customer self-restores water service prior to making payment. (See Section M.)

An additional charge for removing the meter due to non-payment or unauthorized water use is..... \$189.00

**C. RETURNED PAYMENT CHARGE**

A charge of \$26.00 shall be paid for each check or electronic transaction received as payment to the District that is returned unpaid from a financial institution.



**SCHEDULE C**

**CHARGES FOR SPECIAL SERVICES  
(continued)**

**D. PROCESSING FEES FOR DELINQUENT CHARGE COLLECTION THROUGH LIENS AND PROPERTY TAX BILLS ON MULTI- FAMILY RESIDENTIAL ACCOUNTS**

For multi-family residential accounts, the District may place liens on parcels with unpaid charges and collect unpaid amounts on parcels' property tax bills. Multi-family residential accounts are any residential accounts where a water meter serves two or more dwelling units.

- |   |   |
|---|---|
| 1. Lien Filing Fee  | \$147 per Lien  |
| 2. Lien Removal Fee   | \$69 (in Alameda County) and \$62 (in Contra Costa County) for first lien removed<br><br>\$23 (in Alameda County) and \$15 (in Contra Costa County) for each additional lien removed at the same time |
| 3. Property Tax Transfer Fee<br>Unpaid Charges with Liens Recorded    | \$19 plus county auditor's fee (1.7% of collected amount for Alameda County; \$3 per parcel for Contra Costa County)  |
| 4. Property Tax Transfer Fee<br>Unpaid Charges without Liens Recorded | \$131 plus county auditor's fee (1.7% of collected amount for Alameda County; \$3 per parcel for Contra Costa County)   |

**E. WASTEFUL USE CHARGE**

A charge of \$44.00 shall be paid to cover the monitoring costs incurred by the District if, after written notification, excessive water use is not curtailed.

**F. FLOW-RESTRICTOR INSTALLATION**

The charge for District installation of a flow-restricting device on any service that continues excessive water use, after written notification, will be in accordance with the following schedule:

- |   |          |
|---|----------|
| 1. On services two-inches and smaller - |          |
| 5/8" and 3/4"                           | \$ 50.00 |
| 1"                                      | 50.00    |
| 1-1/2"                                  | 178.00   |
| 2"                                      | 178.00   |





**SCHEDULE C**

**CHARGES FOR SPECIAL SERVICES  
(continued)**

**F. FLOW-RESTRICTOR INSTALLATION  
(Continued)**

- 2. All others -

The charges for installing flow-restricting devices on water services, other than those in the above schedule, shall be the actual cost of installing the device, as determined by the District, including engineering, equipment, material, labor and related overhead expenses.

**G. NOTICE OF WASTEFUL USE AND FLOW-RESTRICTOR CHARGES**

For the purposes of Sections E and F above, written notification shall:

- 1. Specify the date by which excessive use must be curtailed to avoid further enforcement action; and
- 2. Be sent by certified mail (return receipt requested) or by other written means which would be sufficient for obtaining personal service in a legal proceeding.

**H. RESCINDED 12/10/96**

**I. COMMERCIAL BACKFLOW DEVICE ANNUAL CERTIFICATION CHARGE**

Where it is probable that a pollutant, contaminant, system or plumbing hazard may be created by a water user, or where the water system is unstable and cross-connections may be installed or reinstalled, an approved backflow prevention device of the proper type is required for all commercial accounts at the customer's expense.

- 1. The charge for administering the Backflow Program Certification for commercial accounts is (annually) ..... \$56.00
- 2. The charge for District staff to conduct a *Change of Responsible Party* or *Change of Use Survey* or to respond to a commercial customer's request for a backflow/cross connection survey, an initial or follow-up backflow inspection ..... \$47.00/hr.
- 3. The charge for backflow testers to be placed on the District's list of certified testers..... \$96.00



**SCHEDULE C**

**CHARGES FOR SPECIAL SERVICES  
(continued)**

**J. COMMERCIAL BACKFLOW DEVICE VIOLATION**

For those customers where the service has been terminated for failure to meet the District's Backflow Program requirements, a charge will be made to cover District cost pursuant to the termination and restoration of service ..... \$189.00

**K. LATE PAYMENT PENALTY AND INTEREST**

For those customers with outstanding overdue balances exceeding \$10 at billing, a charge equivalent to 1.5% of the overdue balance (minimum charge \$1) will be made to recover foregone interest on District money, and District cost to process overdue accounts. Customers in the Customer Assistance Program shall be exempt from the late payment penalty and interest.

**L. PROCESSING FEE FOR INTERVENING WATER SERVICE AGREEMENT**

The charge for the District to process an intervening water service agreement for a participating landlord in the District's automated landlord sign-on service is ..... \$26.00

Requests to modify intervening water service agreement property account information must be submitted in writing and can be dropped off, mailed or faxed to an EBMUD business office.

The charge for each written request to modify the original intervening water service agreement by adding to or deleting property account information from the original agreement is..... \$26.00

**M. SERVICE TRIP CHARGE**

The charge for District staff to perform special services for customers is..... \$31.00

The charge shall be applied for, but is not limited to the following:

- 1) payment collection in the field;
- 2) payment extension in the field;
- 3) additional field stops beyond the initial service interruption to shut off service due to non-payment, including a field stop to lock the meter if the customer self-restores water service prior to making payment;
- 4) follow-up site visits to customers who have not complied after the District's notification to correct an obstructed meter condition.
- 5) field inspections conducted at the customer's request.



SCHEDULE C

CHARGES FOR SPECIAL SERVICES  
(continued)

**N. PUBLIC HYDRANT METER ACCOUNT ESTABLISHMENT CHARGES**

Customers can request a 3-inch hydrant meter that can be hooked up to a public fire hydrant to measure water use at a property site. Customers are required to: 1) provide hydrant meter readings every two months, within 2 weeks of the meter read due date; 2) return hydrant meter equipment within one month following a meter use period; and 3) renew the hydrant meter permit and exchange the hydrant meter equipment within eleven months from the date of issuance, if continued use is desired.

The charge to establish water service  
for a hydrant meter is..... \$85.00

The charge to renew a hydrant meter account  
at the end of a 12-month period is ..... \$85.00

If a field stop is required to establish a new account, a \$159 site visit charge shall be paid in addition to the \$85 account establishment charge. (See Section O.)

**O. PUBLIC HYDRANT METER ACCOUNT SITE VISIT CHARGE**

The charge for a Field Services Representative to conduct a hydrant  
meter site visit to perform special services for customers is..... \$159.00

The charge shall be applied for, but is not limited to the following:

- 1) reading hydrant meters for which the two-month reading was not submitted by the customer;
- 2) retrieving hydrant meter equipment from a customer site;
- 3) delivering hydrant meter equipment to a customer; and
- 4) establishing or renewing a hydrant meter account in the field.



**Schedule D**

**Water Service Installation Charges**

**FY14**





**SCHEDULE D**

**WATER SERVICE INSTALLATION CHARGES**

**A. INSTALLING A SERVICE**

The charge for installing a water service, other than a private fire service, will be in accordance with the following schedule:

**1. FOUR INCHES AND SMALLER\***

**a. Regular Services (1 meter per lateral)**

SIZE	INSTALLED IN PAVED CONDITIONS	INSTALLED IN UNPAVED CONDITIONS
5/8", 3/4" & 1"	\$5,904	\$1,114
1-1/2"	6,081	3,001
2"	6,960	3,306
3"***	22,776	20,500
4"***	24,676	22,209

Cost to install services 6" and larger will be calculated on a case-by-case basis.

**b. Lateral Sizing for Fire Flow Capacity**

Where local and State regulations require that taps and laterals for new regular service be sized to provide for fire flow capacity, the following charges shall apply:

Basic charge to provide a 1-1/2" lateral and a 1" meter, to be paid at time tap and lateral are installed:

a. Installations in unpaved conditions	\$2,906
b. Installations in paved conditions	5,963

\* If the District determines that an ERT (Encoder, Receiver, Transmitter) meter is required, there shall be an additional charge of \$200.

\*\*Requires steel pipes



**SCHEDULE D**

**WATER SERVICE INSTALLATION CHARGES**

**A. INSTALLING A SERVICE (Continued)**

c. Branch Services (2 or more meters per lateral)

METER SIZE	# OF METERS	INSTALLED IN PAVED CONDITIONS	INSTALLED IN UNPAVED CONDITIONS
5/8 inch Meters	2	\$6,343	\$3,261
	3	6,601	3,520
	4	6,862	3,781
	5	8,001	4,346
	6	8,260	4,607
	7	8,521	4,866
	8	8,780	5,125
1 inch Meters	2	6,550	3,472
	3	6,919	3,839
	4	7,283	4,202

d. Adjustment for Applicant Assisted Service Installations

Applicants requesting installation of at least 15 service laterals may choose to provide their own trenching and backfilling and be eligible to receive a refund of up to \$296.00 per service lateral installed provided that the applicant:

- (i) pays the appropriate charges for each service as specified in sections (a) or (b) above.
- (ii) clears the construction site of obstructing materials and equipment.
- (iii) excavates a minimum of 15 service laterals ahead of District crews.
- (iv) hauls sand and select backfill to the construction site for use by district crews in supporting the service lateral and for applicant backfilling of trenches.
- (v) backfills and compacts the trenches after District crews have installed and properly secured the service lateral.
- (vi) reimburses the District for (1) unproductive crew standby due to applicant's failure to prepare the site or excavate trenches in advance; (2) District costs to repair damage done by applicant's trenching operation.





**SCHEDULE D**

**WATER SERVICE INSTALLATION CHARGES**

**A. INSTALLING A SERVICE (Continued)**

e. Tract Service Property Line Installation

If the customer elects not to dig service lateral trenches, but does comply with the guidelines of two services in one trench at property line, EBMUD will reimburse the customer \$149.00 for each service lateral.

- f. The service lateral reimbursements referenced above do not apply to nonpotable water service. Conditions for nonpotable water service will be determined in accordance with the water service application and permit provisions in Sections 3, 4, and 30 of the Regulations Governing Water Service.

2. ALL OTHERS

The charge for installing all water services other than those in the above schedule shall be the actual cost of installing the service, as determined by the District, including engineering, equipment, material, labor and related overhead expenses.

**B. COST OF INCREASING METER SIZE (Up to available capacity)**

1" Tap and Lateral \$492 (Additional charge of \$427 if concrete replacement required)

1-1/2" Tap and Lateral\* (No concrete replacement required)

5/8"	to	3/4"	\$572
5/8"	to	1"	572
3/4"	to	1"	572
5/8"	to	1-1/2"	726
3/4"	to	1-1/2"	726
1"	to	1-1/2"	726

2" Tap and Lateral\* (No concrete replacement required)

5/8"	to	3/4"	\$572
5/8"	to	1"	572
3/4"	to	1"	572
5/8"	to	1-1/2"	1,074
1"	to	1-1/2"	1,074
*5/8"	to	2"	1,074
*3/4"	to	2"	1,074
*1"	to	2"	1,074
1-1/2"	to	2"	1,074

\* Additional charge of \$500 if concrete replacement required.



**SCHEDULE D**

**WATER SERVICE INSTALLATION CHARGES  
(Continued)**

**B. COST OF INCREASING METER SIZE (Continued)**

4" Tap and Lateral (Additional charge of \$427 if concrete replacement required)

5/8"	to	3/4"	\$572
5/8"	to	1"	572
3/4"	to	1"	572
5/8"	to	1-1/2"	1,074
3/4"	to	1-1/2"	1,074
1"	to	1-1/2"	1,074
5/8"	to	2"	1,074
3/4"	to	2"	1,074
1"	to	2"	1,074
1-1/2"	to	2"	1,074

4" Tap and Lateral (Additional charge of \$531 if concrete replacement required)

5/8"	to	3"	\$7,525
3/4"	to	3"	7,525
1"	to	3"	7,525
1-1/2"	to	3"	7,525
2"	to	3"	7,525
5/8"	to	4"	7,525
3/4"	to	4"	7,525
1"	to	4"	7,525
1-1/2"	to	4"	8,380
2"	to	4"	8,380
3"	to	4"	8,380

**C. COST OF REDUCING SERVICE SIZE (Additional charge of \$531 if concrete replacement required)**

1"	to	3/4" or 5/8"	\$353
1-1/2"	to	1", 3/4" or 5/8"	487
2"	to	1-1/2"	1,351
2"	to	1", 3/4" or 5/8"	487
3"	to	2"	2,175
3"	to	1-1/2"	2,153
3"	to	1", 3/4" or 5/8"	1,846
4"	to	3"	7,353
4"	to	2"	2,146
4"	to	1-1/2"	2,146
4"	to	1", 3/4", or 5/8"	1,846



**SCHEDULE D**

**WATER SERVICE INSTALLATION CHARGES  
(Continued)**

**D. RELOCATING AN EXISTING SERVICE**

1. To relocate an existing service perpendicular to the curb line or a distance not exceeding 5 feet parallel to the curb line, a charge will be made equal to 20% of the Installation Charge for the corresponding service size.
2. To relocate an existing service a distance exceeding 5 feet parallel to the curb line, a charge will be made in accordance with the following schedule plus the cost of eliminating old service connection:

a. **FOUR INCHES AND SMALLER**

SIZE	RELOCATION CHARGE
5/8", 3/4" & 1"	\$5,904
1-1/2"	6,081
2"	6,960
3"	22,776
4"	24,676

b. **SIX INCHES AND LARGER**

Total actual cost of a new service installation, plus cost of eliminating old service connection, less salvage value of materials recovered.

**E. RESETTling OR REPLACING A METER**

There will be a charge equivalent to 5% of the water service installation charge for resetting a meter on an existing service connection.

There will be a charge equivalent to 5% of the water service installation charge for replacing a meter when applicants lose or damage meters when constructing new developments.



**SCHEDULE D**

**WATER SERVICE INSTALLATION CHARGES  
(Continued)**

**F. CONVERSION OF INDIVIDUAL SERVICE TO BRANCH SERVICE  
(Multi-metering, when feasible)**

1" tap and lateral to 2-5/8" meter manifold	\$483	(Additional charge of \$427 if concrete replacement required )
1.5" tap and lateral to 3 or 4-5/8" meters	\$964	(Additional charge of \$569 if concrete replacement required)
1.5" tap and lateral to 2-1" meter manifold	\$559	(Additional charge of \$569 if concrete replacement required)
2" tap and lateral to 5/8" meter manifold		
5 and 6 meters	\$1,480	(Additional charge of \$569 if concrete replacement required)
7 and 8 meters	1,892	(Additional charge of \$713 if concrete replacement required)
4" tap and lateral to a 5/8" meter manifold \$1,516 plus \$241 per meter requested (Additional charge of \$713 if concrete replacement required)		

**G. SERVICE ELIMINATIONS**

3/4" to 2"	\$1,394	(Additional charge of \$427 if concrete replacement required)
3" to 12"	3,573	(Additional charge of \$569 if concrete replacement required)

**H. INSTALLATION OR OTHER WORK UNDER UNUSUAL CONDITIONS**

The above charges apply to all installation charges for water services four inches and smaller except when there are unusual or special conditions which, in the opinion of the District, would result in the need for additional services and materials, including added testing and inspection, changes due to project revisions, property rights evaluation, site conditions or contaminated soil, and any construction by District forces to complete the installation. In such cases, the charge will be based on the District's actual cost of all engineering, material, equipment, labor and related overhead expenses incidental to the installation.

**Schedule E**

**Private Fire Service Installation Charges**

**FY14**





**SCHEDULE E**

**PRIVATE FIRE SERVICE INSTALLATION CHARGES**

**A. INSTALLING A PRIVATE FIRE SERVICE**

The charge for installing a private fire service will be in accordance with the following schedule:

SIZE	INSTALLED IN PAVED CONDITIONS	INSTALLED IN UNPAVED CONDITIONS
1-1/2"	\$6,081	\$3,001
2"	6,960	3,306
4"	18,641	16,641
6"	19,857	17,857
8"	27,543	25,543

Cost to install 10" and larger will be calculated on a case-by-case basis.

The charges for four-inch and larger includes cost of detector check meter, meter box, connection to existing mains and fittings.

**B. INSTALLATION UNDER UNUSUAL CONDITIONS**

1. The above charges apply to all installation charges for private fire services except when there are unusual or special conditions which, in the opinion of the District, would result in the need for additional services and materials, including added testing and inspection, changes due to project revisions, property rights evaluation, site conditions or contaminated soil, and any construction by District forces to complete the installation. In such cases, the charge will be based on the District's actual cost of all engineering, material, equipment, labor and related overhead expenses incidental to the installation.





**Schedule F**

**Public Fire Hydrant Installation Charges**

**FY14**





SCHEDULE F

PUBLIC FIRE HYDRANT INSTALLATION CHARGES

The following charges will be made for the installation, removal or relocation of a fire hydrant.

**A. HYDRANT INSTALLATION BY THE DISTRICT**

The charge for installation of a fire hydrant by the District on an existing main is \$13,151.

For hydrants installed by the District on/with new mains being installed by the District see Schedule G, Sections C.2 and C.3. For hydrants installed by applicant on/with new mains installed by the Applicant see Section B below.

**B. HYDRANT INSTALLATIONS BY APPLICANT ON APPLICANT-INSTALLED MAIN EXTENSIONS**

- 1. Basic charge for materials, engineering and inspection services for a 6-inch fire hydrant ..... \$3,012.00
- 2. Material charge for services laterals..... \$16.00 per foot

NOTE: Applicants will not be permitted to install a fire hydrant on an existing main.

**C. HYDRANT REMOVAL**

- 1. The charge to remove a hydrant located in concrete sidewalk ..... \$3,148.00
- 2. The charge to remove a hydrant located in dirt ..... 2,801.00

**D. INSTALLATION OF A FIRE HYDRANT AT A LOCATION WHERE THERE IS EXISTING FIRE HYDRANT COVERAGE**

If a fire hydrant is ordered installed at or near a location where there is existing fire hydrant coverage, as a requirement precedent to installing the new fire hydrant, the District reserves the right to remove the existing fire hydrant and levy the charge for removal (Section C).

**E. RELOCATION OF A FIRE HYDRANT**

The charge for the relocation of a hydrant will be the charge for the hydrant removal (Section C) plus the charge for the installation of a new hydrant (Section A). No credit will be given for salvaged material unless the hydrant body is of the current design and can be reused, in which case a credit of \$453 will be allowed.



SCHEDULE F

PUBLIC FIRE HYDRANT INSTALLATION CHARGES  
(Continued)

**F. SETBACK/OFFSET OF A FIRE HYDRANT**

Where the relocation of a fire hydrant does not require a new connection to the main, the charge is \$8,384. There is an additional charge of \$556 for concrete replacement.

**G. REPLACEMENT OF A HYDRANT BODY**

To replace an existing hydrant body with a MODEL-64 hydrant body, or equivalent, the following charges will be made:

- 1. If the existing hydrant body is a wet-barrel, aboveground shutoff type, the replacement charge is..... \$1,447.00
- 2. If the existing hydrant body is a dry-barrel, underground shutoff type, the replacement charge is..... 2,255.00

**H. INSTALLATION UNDER UNUSUAL CONDITIONS**

The above charges apply to all installation charges for fire hydrant installations except when there are unusual or special conditions which, in the opinion of the District, would result in the need for additional services and materials, including added testing and inspection, changes due to project revisions, property rights evaluation, site conditions or contaminated soil, and any construction by District forces to complete the installation. In such cases, the charge will be based on the District's actual cost of all engineering, material, equipment, labor and related expenses incidental to the installation.

**Schedule G**

**Water Main Extension Charges**

**FY14**





**SCHEDULE G**

**WATER MAIN EXTENSION CHARGES**

**A. DISTRICT-INSTALLED MAINS**

The charge for District-installed main extensions up to 1,000 feet shall be based on the standard charges as specified in Sections B and C below.

**B. DISTRICT-INSTALLED TWO-INCH MAINS**

The charge for District installation of two-inch mains in dirt and in paved streets, excluding any charges for water service connections consists of:

- 1. Basic installation charge of .....\$4,394.00  
plus,
- 2. Linear foot charge of:
  - PVC pipe in dirt streets.....\$107.00 per foot
  - PVC pipe in paved streets.....175.00 per foot
  - Copper pipe in dirt streets .....124.00 per foot
  - Copper pipe in paved streets.....192.00 per foot

**C. DISTRICT-INSTALLED SIX-INCH AND EIGHT-INCH MAINS**

The charge for District installation of six-inch and eight-inch steel and PVC mains up to 1,000 feet, excluding any charges for water service connections, consists of:

- 1. Basic installation charge of.....\$4,394.00  
plus,
- 2. Basic charge per fire hydrant installed:
  - In dirt .....\$9,205.00
  - In pavement.....10,523.00
 plus,
- 3. Linear foot Charge, for combined length of main extension and fire hydrant lateral of 0-1000 LF:
  - In Dirt Streets or Roads
    - PVC pipe .....\$159.00 per foot
    - Steel pipe.....192.00 per foot
  - In Paved Streets or Roads
    - PVC pipe .....\$237.00 per foot
    - Steel pipe.....264.00 per foot



**SCHEDULE G**

**WATER MAIN EXTENSION CHARGES  
(Continued)**

**D.** The above charges apply to all District-installed mains except when there are unusual or special conditions which, in the opinion of the District, would result in the need for additional services and materials, including hydraulic analysis, property rights evaluation, site conditions or contaminated soil. . In such cases, the additional charge will be based on the District’s actual cost of all engineering, material, equipment, labor and related overhead expenses incidental to the installation.

**E. APPLICANT-INSTALLED MAINS**

The following charges apply to applicant-installed water main extensions under normal conditions as defined in the Regulations.

1. Charge for engineering, inspection, and certain pipeline materials, designated below for the installation of the required water mains by the applicant, excluding fire hydrants and water service connections (which are covered by Schedules D, E, and F):

a. Basic installation charge of ..... \$3,988.00  
plus,

Linear foot charge of:

6-inch diameter pipe ..... \$32.00 per foot

8-inch diameter pipe ..... 32.00 per foot

12-inch and larger diameter pipe ..... See 7-C, #3

b. The charge to the applicant for District-supplied pipe and fittings will be the District's cost for these materials, at the time of delivery to the applicant, plus tax and shipping.

c. The above charges apply to all applicant-installed mains except when there are unusual or special conditions which, in the opinion of the District, would result in the need for additional services and materials, including added testing and inspection, changes due to project revisions, property rights evaluation, site conditions or contaminated soil, and any construction by District forces to complete the installation. In such cases, the additional charge will be based on the District’s actual cost of all engineering, material, equipment, labor and related overhead expenses incidental to the installation.

In all cases the District will supply valves, valve pot covers, blowoffs, and minor appurtenances as identified by District-furnished drawings and specifications.





SCHEDULE G

WATER MAIN EXTENSION CHARGES  
(Continued)

**E. APPLICANT-INSTALLED MAINS (Continued)**

2. Credits when pipe to be installed by the applicant is required by the District to be larger than the pipe size needed to serve the applicant.
3. Charges and Credits for Steel Pipe Other Than Eight-Inch

Charges for Applicant-installed mains other than eight-inch, credits (where applicable) to applicant for mains other than eight-inch, or applicant-installed District improvements in conjunction with applicant-installed main extensions will be based on a District engineering cost estimate.



**Schedule H**

**Standard Participation Charge**

**FY14**





**SCHEDULE H**

**STANDARD PARTICIPATION CHARGE  
(SPC)**

**A. The standard participation charge for each standard service installed shall be:**

Standard Participation Charge

Meter Size	Gravity Zone*	Pumped Zone**
5/8" and 3/4"	\$7,720	\$9,560
1"	19,290	23,900
1-1/2"	38,600	47,800
2"	61,700	76,500
3"	123,400	153,000
4"	192,900	239,000

The standard participation charge for each meter larger than four inches shall be determined on a case-by-case basis by the District, considering such factors as the projected demand which the service would impose on the District system, the maximum intermittent flow rate of the meter compared to a 5/8" meter, and whether the service is solely domestic or is combined with a fire service. In no event shall the standard participation charge for a meter larger than four inches be less than \$192,900 in gravity zones or \$239,000 in pumped zones.

\* This charge covers general water main oversizing and future water supply.

\*\* This charge covers major facilities capacity, water main oversizing and future water supply.



**Schedule J**

**System Capacity Charge**

**FY14**







**SCHEDULE J**

**SYSTEM CAPACITY CHARGE  
(SCC)**

**A. SCC FOR STANDARD SERVICE\***

**1. Non-Residential Service Connections (dollars per connection)**

METER SIZE (INCHES)	REGION		
	1	2	3
5/8	\$22,260	\$40,050	\$37,140
3/4	33,390	60,080	55,710
1	55,760	100,330	93,040
1-1/2	111,520	200,660	186,080
2	178,430	321,060	297,730

For service connections with larger meters see Sec. 3.

**2. Single Family Service Connections\*\* (dollars per connection)**

METER SIZE (INCHES)	REGION***		
	1	2	3
3/4	\$15,580	\$26,950	\$34,460
1	26,020	45,010	57,550
1-1/2	52,040	90,020	115,100

For service connections with larger meters see Sec. 3 below.

\* This charge covers the cost of System-wide Facilities Buy-in, Regional Facilities Buy-in and Future Water Supply.

\*\*The SCC charged to the applicant will be based on the water meter size required to meet the indoor needs (excluding private fire service needs) and outdoor watering needs of the premise as determined solely by the District based on the plumbing code, the District's review, and water industry standards. The meter(s) that is installed may be larger than the meter size charged in the SCC fee if the service is combined with a private fire service or if a separate irrigation meter is required (See Sections D. Combined Standard and Fire Service and I. Required Separate Irrigation Meter for Single Family Service Connections).

***REGION	GENERAL DESCRIPTION
1	Central Area (gravity zones West-of-Hills) El Sobrante and North (pumped zones)
2	South of El Sobrante to vicinity of Highway 24 (pumped zone) South from vicinity of Highway 24 (pumped zones) Castro Valley Area (pumped zones) North Oakland Hill Area (pumped zones, formerly 4A)
3	Orinda-Moraga-Lafayette Area (pumped zones) San Ramon Valley and Walnut Creek (pumped and gravity zones)



**SCHEDULE J**

**SYSTEM CAPACITY CHARGE  
(SCC)  
(Continued)**

**3. SCC for Larger Meters**

The SCC for non-residential service connections with meters larger than 2 inches and single-family residential service connections with meters larger than 1-1/2 inches shall be determined on a case-by-case basis by the District based on water use information furnished by the applicant and applying the same unit charge and criteria as apply to the SCC for smaller meters. The SCC will be calculated based on the unit charges for each of the four components listed below:

Component	Unit Charge (\$/100 gpd)
Post-2000 (Add'l Regions 3C & 3D only)	SCC Region Specific
Regional Facilities Buy-in	SCC Region Specific
System-wide Facilities Buy-in	\$1,857
Future Water Supply*	1,845

The unit charges for the components that are specific to a SCC Region are:

Unit Charge (\$/100gpd)		
Region	Post-2000 Component	Regional Facilities Buy-In Component
1	n/a	\$1,864
2	n/a	3,784
3	n/a	2,240
3C	\$5,942	1,681
3D	5,942	1,681

In no instance will the SCC for a non-residential meter larger than 2 inches or a single family residential meter larger than 1-1/2 inches be less than the respective equivalent 2 inch or 1-1/2 inch price from the appropriate Section 1 or 2, above.

The SCC will be determined by multiplying the sum of the unit charge of the four components by the water use information furnished by the applicant, rounded to three significant places.

If the District has determined, based on water use information furnished, that a meter larger than 2 inches is appropriate, the SCC calculated pursuant to this subdivision shall apply irrespective of the arrangement of water metering or meter size at the premises.

\*The Future Water Supply component for Region 3C is based on 1993 agreement (see Section B1).



SCHEDULE J

SYSTEM CAPACITY CHARGE  
(SCC)  
(Continued)

4. SCC for Standard Service to Multi-Family Premises

The System Capacity Charge for new water service at multi-family premises shall be as listed below. For purposes of this Schedule J, "multi-family premises" shall mean premises with two or more attached or separate residential dwelling units, rental or owner-occupied, which is determined by the District to be a single premises for receiving water service, provided that each separate dwelling unit of a multi-family premises shall be separately metered.

Multi-Family Premises  
Dollars per Dwelling Unit (DU)

	REGION*		
	1	2	3
For each Dwelling Unit	\$9,070	\$12,580	\$11,820

\*Same regions as described in A.2.

The above SCC shall apply regardless of the arrangement of water metering or meter size at the premises; however, the District may limit the size and number of service connections to a combined capacity appropriate to the anticipated water use at the premises. No additional SCC shall be applicable for separate meters installed to provide irrigation for landscaping on the premises in the immediate area contiguous to the dwelling unit structures, provided such landscaped area is to be used exclusively by the residents. All other rates and charges shall be based on actual number and size of meters and does not apply to the requirements listed below.

An SCC shall be applicable for separate meters installed to serve other water uses in the vicinity of the multi-family premises, such as irrigation of open space areas, parks, roadway medians, golf courses, community clubhouse and recreational facilities, and areas designated for public use. The SCC shall be based on meter size as provided under A.1 above. If these other water uses are included in the water service connection to the multi-family premises, the District shall, for purposes of determining the applicable SCC, determine the equivalent meter size for these uses based on plumbing code and water industry standards, as if there were a separate service connection.



**SCHEDULE J**

**SYSTEM CAPACITY CHARGE  
(SCC)  
(Continued)**

**B. SEPARATE SCC FOR STANDARD SERVICE FOR ADDITIONAL REGIONS\***

The System Capacity Charge for new non-residential and single family residential water service at premises other than multi-family premises shall be as follows (dollars per connection):

1. Non-residential water service at premises other than multi-family premises shall be as follows (dollars per connections)

METER SIZE (INCHES)	ADDITIONAL REGION**	
	3C***	3-D
5/8	n/a	\$87,770
3/4	n/a	131,660
1	n/a	219,870
1-1/2	n/a	439,740
2	n/a	703,580

For service connections with larger meters see Sec. 3 below.

2. Single-Family service connections shall be as follows (dollars per connections)

METER SIZE (INCHES)	ADDITIONAL REGION**	
	3C***	3-D
3/4	\$77,870	\$87,770
1	130,040	146,580
1-1/2	260,080	293,160

For service connections with larger meters see Sec. 3 below.

\* This charge covers the cost of System-wide Facilities Buy-In, Regional Facilities Buy-In and Future Water Supply. The Additional Regions are low-density, residential in nature. It is not anticipated that meters larger than 3/4 -inch (excluding fire flow requirements) will be installed in these Regions.

** ADDITIONAL REGION	GENERAL DESCRIPTION
3-C	South of Norris Canyon Road (pumped zones)
3-D	South of Norris Canyon Road outside Wiedemann Ranch (pumped zone)

\*\*\* The Future Water Supply component of the SCC for Region 3C is set by the July 20, 1993 Wiedemann Agreement, indexed to the U.S. City Average of the Consumer Price Index and used by EBMUD to fund conservation programs. The total Future Water Supply component of the SCC for the common areas in Region 3C shall be paid as a condition for the issuance of the first water meter for the common area. The SCC for Non-Residential services (e.g., common area irrigation) shall be uniquely calculated in accordance with the Wiedemann Agreement.



SCHEDULE J

SYSTEM CAPACITY CHARGE  
(SCC)  
(Continued)

**B. SEPARATE SCC FOR STANDARD SERVICE FOR ADDITIONAL REGIONS\* (Continued)**

3. SCC for Larger Meters

The SCC for non-residential service connections with meters larger than 2 inches and single-family residential service connections with meters larger than 1-1/2 inches shall be determined on a case-by-case basis by the District based on water use information furnished by the applicant and applying the same cost components and criteria as apply to the SCC for smaller meters. (See Section A.3)

4. Separate SCC for Standard Service to Multi-Family Premises

The System Capacity Charge for new water service at multi-family premises shall be as listed below. For purposes of this Schedule J, "multi-family premises" shall mean premises with two or more attached or separate residential dwelling units, rental or owner-occupied, which is determined by the District to be a single premises for receiving water service, provided that each separate dwelling unit of a multi-family premises shall be separately metered.

Multi-Family Premises  
Dollars per Dwelling Unit

	ADDITIONAL REGIONS*	
	3-C	3-D
For each Dwelling Unit	\$30,040	\$30,800

\*Same regions as described in B.1.



SCHEDULE J

SYSTEM CAPACITY CHARGE  
(SCC)  
(Continued)

**B. SEPARATE SCC FOR STANDARD SERVICE FOR ADDITIONAL REGIONS\* (Continued)**

The above SCC shall apply regardless of the arrangement of water metering or meter size at the premises; however, the District may limit the size and number of service connections to a combined capacity appropriate to the anticipated water use at the premises. No additional SCC shall be applicable for separate meters installed to provide irrigation for landscaping on the premises in the immediate area contiguous to the dwelling unit structures, provided such landscaped area is to be used exclusively by the residents. All other rates and charges shall be based on actual number and size of meters and do not apply to the requirements listed below.

An SCC shall be applicable for separate meters installed to serve other water uses in the vicinity of the multi-family premises, such as irrigation of open space areas, parks, roadway medians, golf courses, community clubhouse and recreational facilities, and areas designated for public use. The SCC shall be based on meter size as provided under B.1 above. If these other water uses are included in the water service connection to the multi-family premises, the District shall, for purposes of determining the applicable SCC, determine the equivalent meter size for these uses based on plumbing code and water industry standards, as if there were a separate service connection.

**C. LOW-PRESSURE SERVICE**

Where a larger meter is installed because of low-pressure conditions, the applicable System Capacity Charge shall be determined on the basis of the size of the meter which would be required for a standard service as determined by the District based on plumbing code and water industry standards. All other rates and charges shall be based on actual meter size.

**D. COMBINATION STANDARD AND FIRE SERVICE**

Where a meter is installed to provide both standard service and a supply to a private fire protection system, at other than multi-family premises, the applicable System Capacity Charge shall be based on the meter size required for standard service exclusive of the capacity for supplying the fire protection system as determined by the District based on plumbing code, fire protection code and water industry standards. The installation charges shown in Schedule D and all other rates and charges pertaining to the service shall be based on the actual size of the meter that is installed.

**E. FIRE SERVICES AND STANDBY SERVICES**

For fire services and standby services (additional service connections for security of supply), there shall be no System Capacity Charges.

\*Same regions as described in B.1.



SCHEDULE J

SYSTEM CAPACITY CHARGE  
(SCC)  
(Continued)

**F. ADDITIONAL WATER USE ON PREMISES RECEIVING SERVICE**

The System Capacity Charge applicable to enlargement of an existing service at other than multi-family premises shall be based on the difference in the SCC for the new service size and the existing service size.

If additional dwelling units are constructed on premises subsequent to the installation of service and payment of an SCC under B.1, then the SCC applicable to each additional dwelling unit shall be immediately due and payable.

**G. CREDIT FOR EXISTING SERVICES**

Where one or more new services will replace one or more existing or prior services to a premise where an SCC was paid to initiate the water service, a credit will be given toward the new SCC based on the meter size that was used to calculate the initial SCC payment, but in no instance will the credit be less than that of the minimum meter size for the customer classification. For instances where the existing or prior services were installed prior to 1983 and no SCC was paid, the annual average of the past ten years of water consumption will be used to determine the SCC credit, but in no instance will the credit be less than that of a minimum meter size for the customer classification. If there is no existing service, prior service to the premise must be verified by the applicant. If the SCC is paid with the service connection to be completed by meter installation at a later date, and existing service(s) are to remain in service until that time, the applicable credit for the existing service(s) will be in the form of a refund when the existing services are removed. The SCC credit cannot be applied to a standby meter, fire service meter, or in the case of a combination standard and fire service meter, the portion of the meter oversized for the private fire protection system. Where the initial SCC payment was made under Schedule J Section I Required Separate Irrigation Meter for Single Family Service Connections, the SCC credit can not be applied to the separate irrigation meter without a SCC credit on the residential meter.

For common area meters installed under the July 20, 1993 Wiedemann Agreement, credit toward a new SCC for these meters will be based on the actual SCC payment for each meter installed, not based on the size of the existing meter.

**H. TEMPORARY CONSTRUCTION SERVICE**

A System Capacity Charge paid on a temporary construction service will be refunded if said service is removed within a 1-year period after installation.



**SCHEDULE J**

**SYSTEM CAPACITY CHARGE  
(SCC)  
(Continued)**

**I. REQUIRED SEPARATE IRRIGATION METER FOR SINGLE FAMILY SERVICE CONNECTIONS**

If an irrigation meter is required for a single-family connection because the landscape exceeds the threshold for a dedicated irrigation meter in Section 31 of the Regulations, two meters will be installed – one for the indoor and private fire service (if applicable) needs of the building and a separate meter dedicated for irrigation. One single-family SCC shall be applicable based on the hydraulic capacity needed to serve the irrigation and indoor needs. The hydraulic capacity of the installed meter or meters will be equal to or exceed the hydraulic capacity of the meter size that was charged in the SCC fee. The installation charges shown in Schedule D and all other rates and charges pertaining to the service(s) based on the actual size of the meter(s) that are installed shall apply.

**J. NONPOTABLE WATER SERVICE**

1. Nonpotable Water Service Connections (dollars per connection)

METER SIZE (INCHES)	REGION		
	1	2	3
5/8	\$7,380	\$9,870	\$11,530
3/4	11,070	14,810	17,300
1	18,490	24,730	28,890
1-1/2	36,970	49,450	57,770
2	59,160	79,120	92,430

All SCC for nonpotable water service connections with meters larger than 2 inches shall be determined by applying the Future Water Supply Component unit charge to the defined projected water demand approved by the District. The SCC will not be less than the 2-inch meter charge from Section J.1, above.

**K. DUAL STANDARD SERVICES**

An SCC shall be applicable for separate meters installed to provide dual (potable and nonpotable) standard service, based on the meter size(s) for each service.





SCHEDULE J

SYSTEM CAPACITY CHARGE  
(SCC)  
(Continued)

**L. ADJUSTMENT OF SCC FOR WATER-CONSERVING LANDSCAPING ON PUBLICLY OWNED PROPERTY**

To further encourage water conservation, the SCC for a water service connection exclusively for irrigation of landscaping on property owned by a public agency may be reduced or not required based on long-term water service needs after an initial planting establishment period of not more than three years (the "initial period"); provided that (1) the landscape plan incorporates drought-tolerant and other low-water-use planting materials on a major part of the landscaped area, and (2) the long-term water need would result in replacement of the initial water meter with a smaller meter or water service would be discontinued at the end of the initial period.

A public agency applying for water service under such conditions shall submit a written request to the District prior to the time of payment of the SCC. The request shall set forth in detail the facts supporting an adjustment of the SCC, shall include information and plans clearly describing the planting materials and irrigation system, and shall include data and calculations clearly demonstrating the estimated initial and long-term water needs.

If the District determines that the SCC can be based on a smaller meter or discontinuation of service after the initial period, the public agency shall enter into a water service agreement which provides for (1) payment of the reduced SCC prior to installation of service; (2) verification of the long-term need at the end of the period; and (3) payment of the additional SCC required if the initial meter is not to be replaced, or the replacement meter is larger than initially determined, or water service is not discontinued. If additional SCC payment is required, it shall be based on the charges in effect at the time of initial SCC payment, and shall be due and payable within 30 days of written notice from the District. The agreement shall be binding upon all subsequent owners of the property and shall be recorded.

Installation charges for the service connection shall be based on the meter size initially installed.

The above-mentioned SCC adjustments do not apply to nonpotable water service accounts.



**Schedule K**

**Charges for Annexation**

**FY14**





SCHEDULE K

CHARGES FOR ANNEXATION

The following charges for annexation of territory to the District shall apply for all annexations initiated with the District on or after May 1, 1979. These charges shall be paid by the Applicant at the time the proceedings are initiated, and prior to the installation of any facilities. The Applicant will also be subject to the Regulations Governing Water Service to Customers of the District and the Schedule of Rates and Charges, except as provided for herein.

**The total charges to be paid shall be computed as follows:**

1. For each annexation proceeding, the sum of \$1,010.00. However, if the District is required to conduct an annexation election or to provide environmental documentation such as a Negative Declaration or Environmental Impact Report (E.I.R.), the annexation proceeding charge shall also include, in addition to \$1,010.00, all election and environmental documentation costs incurred by District.
2. For each acre of land included in the area proposed to be annexed, the sum of \$758.00.
3. Charges for fractional parts of an acre will be calculated on the basis of the nearest tenth-acre increment, provided, however, that in no event shall said acreage charge be less than TWO HUNDRED AND NO/100 DOLLARS (\$200.00).
4. Any fees or charges levied by other agencies for annexation proceedings such as the State Board of Equalization Filing Fees.

The above charges and the District Regulations Governing Water Service to Customers and the Schedule of Rate and Charges shall not be applicable to annexations which in the opinion of this Board present novel or unusual problems or situations or do not meet all the criteria set forth in Administrative Policy Statements approved by the Board dealing with annexations, and in all such instances the charges for the annexation shall be determined or approved by this Board at the time the terms and conditions for annexation are approved.



**Schedule M**

**Water Service Estimate Application Fees**

**FY14**







**SCHEDULE M**

**RATE SCHEDULE FOR WATER SERVICE ESTIMATE, WITH MAIN EXTENSION  
FIRE SERVICE REQUEST, HYDRANT ESTIMATE, FIRE SERVICE ESTIMATE,  
STANDARD SERVICE GREATER THAN 2-INCH,  
CONDITIONAL SERVICE WITHOUT MAIN EXTENSION AND  
PIPELINE RELOCATION/REPLACEMENT/ABANDONMENT APPLICATION FEE**

This schedule applies to Water Service Estimates With Main Extensions, Fire Service Requests that require hydraulic modeling, Hydrant Estimates, Fire Service Estimates, Standard Services greater than 2 inches, Conditional Services Without Main Extensions and Pipeline Relocations/Replacements/Abandonments.

**A. SCHEDULE OF CHARGES**

**1. WATER SERVICE ESTIMATES REQUIRING MAIN EXTENSIONS FOR  
RESIDENTIAL DEVELOPMENT: BASED ON NUMBER OF DWELLING  
UNITS**

Basic charge for up to 10 units	\$2,368.00
Each additional increment of 10 units or portion thereof up to 200 units	632.00
Over 200 units (including Basic charge)	13,930.00

**2. WATER SERVICE ESTIMATES REQUIRING MAIN EXTENSIONS FOR  
COMMERCIAL, INDUSTRIAL, OR INSTITUTIONAL: BASED ON SQUARE  
FOOTAGE**

Basic charge for up to 10,000 square feet	\$3,761.00
Each additional increment of 10,000 square feet or portion thereof Up to 100,000 square feet	\$633.00
Over 100,000 square feet (including Basic charge)	\$9,402.00

**3. CONDITIONAL SERVICES WITH NO MAIN  
EXTENSION**

Fixed price	\$1,394.00
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SCHEDULE M

RATE SCHEDULE FOR WATER SERVICE ESTIMATE APPLICATION FEE  
(continued)

**A. SCHEDULE OF CHARGES (Continued)**

4. FIRE SERVICE REQUEST (with hydraulic modeling), FIRE SERVICE ESTIMATE, HYDRANT ESTIMATE, STANDARD SERVICE GREATER THAN 2-INCH, DUAL SERVICE (COMBINATION STANDARD AND FIRE SERVICE) ESTIMATE

Fixed price	\$351.00
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5. PIPELINE RELOCATIONS/REPLACEMENTS/ABANDONMENTS

Fixed price	\$1,394.00
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**B. CONDITIONS OF APPLICATION FEE**

1. The fee is non-refundable.
2. The fee will not be used as a credit towards installation charges or for future estimates.
3. If preparation of a new Water Service Estimate is required due to changes in project scope requested by the applicant after the receipt of the Estimate Agreement or due to cancellation, then a new water service application with an additional fee will be required. The previous fee will be forfeited.
4. If more than one estimate or type of estimate is required for a single application, only the higher fee will be assessed.

**Schedule N**

**Water Demand Mitigation Fees**

**FY14**





**SCHEDULE N**

**WATER DEMAND MITIGATION FEES**

The Water Demand Mitigation Fee funds District conservation programs that are intended to achieve water savings that offset water demand from development within the territory or development where the fees are collected. The Water Demand Mitigation Fee is payable at the time application for service is made or prior to release of the distribution system pipelines and related appurtenances when the installation of water main extensions are required.

**A. WATER DEMAND MITIGATION FEES FOR “THE MEADOWS” TERRITORY**

For service connections within "The Meadows" territory<sup>1</sup> payment of a Water Demand Mitigation Fee shall be required in addition to all other applicable fees and charges, including the applicable System Capacity Charge (SCC).

1. Non-Residential Service Connections (dollars per connection)

METER SIZE (INCHES)	WATER DEMAND MITIGATION FEE FOR STANDARD SERVICE IN THE MEADOWS TERRITORY
5/8	\$12,570
3/4	18,100
1	28,150
1-1/2	54,300
2	100,550

2. Single Family Service Connections (dollars per connection)

METER SIZE (INCHES)	WATER DEMAND MITIGATION FEE FOR STANDARD SERVICE IN THE MEADOWS TERRITORY
5/8	\$12,310
3/4	18,100
1	28,150
1-1/2	54,300

<sup>1</sup> As defined in Contra Costa Local Agency Formation Commission Resolution No. 96-33, adopted August 13, 1997.



**SCHEDULE N**

**WATER DEMAND MITIGATION FEES  
(Continued)**

3. The Water Demand Mitigation Fee for non-residential service connections with meters larger than 2 inches and single family residential service connections with meters larger than 1-1/2 inches shall be determined on a case-by-case basis by the District based on water use information furnished by the applicant and applying the applicable SCC Future Water Supply component and multiplier (1.09) established by the Board of Directors for smaller meters.
4. For phased developments within The Meadows territory, the Water Demand Mitigation Fee is payable for all connections within the phase prior to release of the distribution system pipelines and related appurtenances.

**B. WATER DEMAND MITIGATION FEES FOR "THE WENDT RANCH" TERRITORY**

For service connections within "The Wendt Ranch" territory<sup>1</sup> payment of a Water Demand Mitigation Fee shall be required in addition to all other applicable fees and charges, including the applicable System Capacity Charge (SCC).

1. Non-Residential Service Connections (dollars per connection)

METER SIZE (INCHES)	WATER DEMAND MITIGATION FEE FOR STANDARD SERVICE IN THE WENDT RANCH TERRITORY
5/8	\$16,140
3/4	23,250
1	36,160
1-1/2	69,740
2	129,150

2. Single Family Service Connections (dollars per connection)

METER SIZE (INCHES)	WATER DEMAND MITIGATION FEE FOR STANDARD SERVICE IN THE WENDT RANCH TERRITORY
5/8	\$15,810
3/4	23,250
1	36,160
1-1/2	69,740

<sup>1</sup> As defined in Contra Costa Local Agency Formation Commission Resolution 97-5, adopted March 12, 1997.



SCHEDULE N

WATER DEMAND MITIGATION FEES  
(Continued)

3. The Water Demand Mitigation Fee for non-residential service connections with meters larger than 2 inches and single family residential service connections with meters larger than 1-1/2 inches shall be determined on a case-by-case basis by the District based on water use information furnished by the applicant and applying the applicable SCC Future Water Supply component and multiplier (1.40) established by the Board of Directors for smaller meters.
4. For phased developments within The Wendt Ranch territory, the Water Demand Mitigation Fee is payable for all connections within the phase prior to release of the distribution system pipelines and related appurtenances.

**C. WATER USE OFFSET FEES FOR THE WIEDEMANN RANCH DEVELOPMENT<sup>1</sup>**

For service connections within the Wiedemann Ranch Development, payment of a Water Use Offset Fee shall be required in addition to all other applicable fees and charges, including the System Capacity Charge (SCC).<sup>2</sup>

1. Common Area Offset Fee

The total Water Use Offset Fee for common areas in the Wiedemann Ranch Development is \$65,875, payable as a condition of issuance of the first meter for the common area.<sup>3</sup>

2. Single Family Service Connections

The Water Use Offset Fee for each residential lot in the Wiedemann Ranch Development is \$6,575, which amount shall be indexed using the same index as for the common area offset fee.

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<sup>1</sup>The Wiedemann Ranch Development, SCC Region 3A, a 439 acre development in Contra Costa County, is described with particularity in Exhibit A to the July 20, 1993 Agreement Between EBMUD and HCV & Associates, Ltd., Wiedemann Ranch, Inc. and Sue Christensen ("Wiedemann Agreement").

<sup>2</sup>The Wiedemann Agreement specifies the amount and other terms related to the Future Water Supply Component of the SCC for the Wiedemann Ranch Development.

<sup>3</sup>The Water Use Offset Fee shall be indexed to the U.S. City Average of the Consumer Price Index issued by the U.S. Department of Labor for each calendar year or portion thereof from the July 20, 1993 date of the Wiedemann Agreement to the date of payment of the offset fee.



SCHEDULE N

WATER DEMAND MITIGATION FEES  
(Continued)

**D. ADDITIONAL WATER USE OFFSET FEES FOR THE WIEDEMANN RANCH  
DEVELOPMENT<sup>1</sup>**

For water service within Wiedemann Ranch Development, payment of Additional Water Use Offset Fees shall be required in the event the annual water budget<sup>4</sup> is exceeded.

1. The Additional Water Use Offset Fee shall be determined by the number of gallons of water used during the average of the two consecutive years in excess of the annual water budget times the per gallon fee of \$14.19.<sup>5</sup>

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<sup>1</sup>The Wiedemann Ranch Development, SCC Region 3A, a 439 acre development in Contra Costa County, is described with particularity in Exhibit A to the July 20, 1993 Agreement Between EBMUD and HCV & Associates, Ltd., Wiedemann Ranch, Inc. and Sue Christensen ("Wiedemann Agreement").

<sup>4</sup>The Wiedemann Agreement specifies the formula for calculating the annual water budget and the specific methodology for calculating and collecting the additional water use offset fee.

<sup>5</sup>The Wiedemann Agreement specifies the terms related to the Additional Water Use Offset Fee. The Additional Water Use Offset Fee shall be indexed to the U.S. City Average of the Consumer Price Index issued by the U.S. Department of Labor for each calendar year or portion thereof from the July 20, 1993 date of the Wiedemann Agreement to the date of payment of the additional water use offset fee.





**SCHEDULE N**

**WATER DEMAND MITIGATION FEES  
(Continued)**

**E. WATER DEMAND MITIGATION FEES FOR CAMINO TASSAJARA INTEGRATED PROJECT<sup>1</sup>**

For service connections within the Camino Tassajara Integrated Project<sup>2</sup>, payment of a Water Demand Mitigation Fee (WDMF) shall be required in addition to all other applicable fees and charges including the applicable System Capacity Charge (SCC). The Board of Directors adopted Section 3D to the Water Service Regulations in January 2003 to codify the WDMF and other conservation requirements imposed on the project territory by the County and Local Agency Formation Commission.

**1. Non-Residential Service Connections (dollars per connection)**

METER SIZE (INCHES)	WATER DEMAND MITIGATION FEE FOR STANDARD SERVICE IN THE CAMINO TASSAJARA INTEGRATED PROJECT
5/8	\$15,560
3/4	22,420
1	34,860
1-1/2	67,230
2	124,490

**2. Single Family Service Connections (dollars per connection)**

METER SIZE (INCHES)	WATER DEMAND MITIGATION FEE FOR STANDARD SERVICE IN THE CAMINO TASSAJARA INTEGRATED PROJECT
5/8	\$10,690
3/4	15,710
1	24,470
1-1/2	47,160

<sup>1</sup>The Water Demand Mitigation Fee shall be indexed to the unit charge of the Future Water Supply component of the EBMUD System Capacity Charge.

<sup>2</sup>As generally described in the October 9, 2002 Miscellaneous Work Agreement between the District, Shapell Industries, Ponderosa Homes II, and Braddock and Logan Group II.



**SCHEDULE N**

**WATER DEMAND MITIGATION FEES  
(Continued)**

3. The WDMF for non-residential service connections with meters larger than 2 inches and single family residential service connections with meters larger than 1-1/2 inches shall be determined on a case-by-case basis by the District based on water use information furnished by the applicant and applying the applicable SCC Future Water Supply component and multiplier (1.61) established by the Board of Directors for smaller meters.

The WDMF for new water service at multi-family premises shall be as listed below. For purposes of this Schedule N, "multi-family premises" shall mean premises with two or more attached or separate residential dwelling units, rental or owner-occupied, which is determined by the District to be a single premises for receiving water service, provided that each separate residential structure of a multi-family premises shall be separately metered.

**Multi-Family Premises – Dollars Per Dwelling Unit (DU)**

Each of the first 10 DU in a single structure	\$6,410
Each additional DU in same structure	5,130

The above WDMF shall apply regardless of the arrangement of water metering or meter size at the premises; however, the District may limit the size and number of service connections to a combined capacity appropriate to the anticipated water use at the premises.

No additional WDMF shall be applicable for separate meters installed to provide irrigation for landscaping on the premises in the immediate area contiguous to the dwelling unit structures, provided such landscaped area is to be used exclusively by the residents. All other rates and charges shall be based on actual number and size of meters and does not apply to the requirements listed below.

A WDMF shall be applicable for separate meters installed to serve other water uses in the vicinity of the multi-family premises, such as irrigation of open space areas, parks, roadway medians, recreational facilities, and areas designated for public use. The WDMF shall be based on meter size as provided under E.1 above. If these other water uses are included in the water service connection to the multi-family premises, the District shall, for purposes of determining the applicable WDMF, determine the equivalent meter size for these uses based on plumbing code and water industry standards, as if there were a separate service connection.



SCHEDULE N

WATER DEMAND MITIGATION FEES  
(Continued)

4. The WDMF is payable for all connections within phased developments prior to release for construction, the distribution system pipelines and related appurtenances.
5. Water use in excess of 120 percent of the annual water budget<sup>3</sup> shall be subject to an Additional WDMF (on a per-occurrence basis). The Additional WDMF shall be determined by multiplying the amount of water used in excess of 100 percent of the annual water budget times the per gallon fee of \$0.99 per gpd.

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<sup>3</sup>The water budget shall be established pursuant to the October 9, 2002 Miscellaneous Work Agreement referenced in Footnote 2.



**SCHEDULE N**

**WATER DEMAND MITIGATION FEES  
(Continued)**

**F. WATER DEMAND MITIGATION FEES FOR GALE RANCH PHASE 2,  
SUBDIVISION 9134<sup>1</sup>**

For service connections within Gale Ranch Phase 2, Subdivision 9134, payment of a Water Demand Mitigation Fee (WDMF) shall be required in addition to all other applicable fees and charges including the applicable System Capacity Charge (SCC).

**1. Non-Residential Service Connections (dollars per connection)**

METER SIZE (INCHES)	WATER DEMAND MITIGATION FEE FOR STANDARD SERVICE IN THE GALE RANCH PHASE 2 SUBDIVISION 9134
5/8	\$14,910
3/4	21,470
1	33,380
1-1/2	64,420
2	119,280

**2. Single Family Service Connections (dollars per connection)**

METER SIZE (INCHES)	WATER DEMAND MITIGATION FEE FOR STANDARD SERVICE IN THE GALE RANCH PHASE 2 SUBDIVISION 9134
5/8 <sup>2</sup>	\$10,230
3/4	15,060
1	23,400
1-1/2	45,140

<sup>1</sup>The Water Demand Mitigation Fee shall be indexed to the unit charge of the Future Water Supply component of the EBMUD System Capacity Charge.

<sup>2</sup>5/8" fee based on 32,594 gpd demand LUDS demand minus 10,884 gpd middle school demand credit divided by 63 residential units resulting in 345 gpd/residential unit.



SCHEDULE N

WATER DEMAND MITIGATION FEES  
(Continued)

3. The WDMF for non-residential service connections with meters larger than 2 inches and single family residential service connections with meters larger than 1-1/2 inches shall be determined on a case-by-case basis by the District based on water use information furnished by the applicant and applying the applicable SCC Future Water Supply component.

No additional WDMF shall be applicable for separate meters installed to provide irrigation for landscaping on the premises in the immediate area contiguous to the dwelling unit structures, provided such landscaped area is to be used exclusively by the residents. All other rates and charges shall be based on actual number and size of meters and does not apply to the requirements listed below.

A WDMF shall be applicable for separate meters installed to serve other water uses in the vicinity of the multi-family premises, such as irrigation of open space areas, parks, roadway medians, recreational facilities, and areas designated for public use. The WDMF shall be based on meter size as provided under F.1 above. If these other water uses are included in the water service connection to the multi-family premises, the District shall, for purposes of determining the applicable WDMF, determine the equivalent meter size for these uses based on plumbing code and water industry standards, as if there were a separate service connection.



**Wastewater System  
Rates, Charges and Fees**





## **RECOMMENDED SCHEDULES OF RATES, CHARGES AND FEES**

**FY14**

### Wastewater System

Schedule A – Schedules of Rates for Treatment Service

Schedule B – Rates for Resource Recovery Waste Treatment

Schedule C – Schedule of Industrial Permit Fees

Schedule D – Schedule of Other Fees

Schedule E – Schedule of Testing Fees

Schedule F – Wet Weather Facilities Charge

Schedule G – Capacity Fee

Schedule H – Wastewater Interceptor Connection Review and Inspection Fee



**Wastewater Department**

**Schedule A**

**Rates for Treatment Service**

**FY14**





SCHEDULE A  
WASTEWATER DEPARTMENT  
RATES FOR TREATMENT SERVICE

Current

**I. Unit Treatment Rates**

Flow (\$ per 100 cubic ft.)	\$0.735
CODf (\$ per pound of discharge)	0.268
Suspended Solids (\$ per pound)	0.396

Unit rates for Flow, Chemical Oxygen Demand filtered (CODf), Total Suspended Solids (TSS) and a Service Charge are applied to all users unless otherwise indicated.

**II. Residential Monthly Charges**

(6514 Multi-Family under 5 units & 8800 Single-Family)

A. Service Charge (per account)	\$6.58
B. Strength Charge (per dwelling unit)	6.60
Minimum monthly charge per household	13.18
C. Plus: A flow charge of 73.5 cents per 100 cubic ft. applied to a maximum of 10 units (per dwelling unit).	
Minimum monthly charge at 0 units	\$0.00
Maximum monthly charge at 10 units	7.35
D. Total Residential Charge (A+B+C above)	
Minimum monthly charge (for 8800)	\$13.18
Maximum monthly charge (for 8800)	20.53
Average monthly charge (for 8800)	17.59

**III. Non-Residential Charges**

A. Monthly service charge (per meter)	\$6.58
B. Treatment charge including flow processing (per 100 cubic feet of sewage discharge).	
2010 Meat Products	\$5.79
2011 Slaughterhouses	5.87
2020 Dairy Product Processing	4.54
2030 Fruit and Vegetable Canning	3.66



SCHEDULE A  
WASTEWATER DEPARTMENT  
RATES FOR TREATMENT SERVICE

	Current
2040 Grain Mills	\$3.77
2050 Bakeries (including Pastries)	6.54
2060 Sugar Processing	3.48
2077 Rendering Tallow	11.89
2080 Beverage Manufacturing & Bottling	2.66
2090 Specialty Foods Manufacturing	11.97
2600 Pulp and Paper Products	3.22
2810 Inorganic Chemicals Mfgr.	4.36
2820 Synthetic Material Manufacturing	0.86
2830 Drug Manufacturing	1.94
2840 Cleaning and Sanitation Products	4.11
2850 Paint Manufacturing	8.21
2893 Ink and Pigment Manufacturing	2.77
3110 Leather Tanning and Finishing	11.29
3200 Earthenware Manufacturing	2.29
3300 Primary Metals Manufacturing	1.78
3400 Metal Products Fabricating	0.94
3410 Drum and Barrel Manufacturing	11.39
3470 Metal Coating	1.04
4500 Air Transportation	1.40
5812 Food Service Establishments	3.99
6513 Apartment Buildings (5 or more units)	1.72
7000 Hotels, Motels with Food Service	2.85
7210 Commercial Laundries	2.45
7215 Coin Operated Laundromats	1.81
7218 Industrial Laundries	7.08
7300 Laboratories	1.25
7542 Automobile Washing and Polishing	1.71
8060 Hospitals	1.67
8200 Schools	1.17
All Other BCC (includes dischargers of only segregated domestic wastes from sanitary conveniences)	1.72



SCHEDULE A  
WASTEWATER DEPARTMENT  
RATES FOR TREATMENT SERVICE

Multi use Food Service Establishments and Domestic Waste  
Accounts

Accounts identified by EBMUD where there is one or more food service establishments or bakeries sharing the water meter with establishments or operations with only domestic waste discharges. These accounts are assigned an MT code based on the percentage split of the discharge from the food service establishment operations or bakeries and domestic waste. The unit treatment charge for each MT Code is calculated from the food service establishment or bakeries treatment rate and the domestic waste treatment rate.

		Current
MT Code		
A	0-9% Food, 91-100% Domestic	\$1.720
B	10-19% Food, 81-90% Domestic	1.947
C	20-29% Food, 71-80% Domestic	2.174
D	30-39% Food, 61-70% Domestic	2.401
E	40-49% Food, 51-60% Domestic	2.628
F	50-59% Food, 41-50% Domestic	2.855
G	60-69% Food, 31-40% Domestic	3.082
H	70-79% Food, 21-30% Domestic	3.309
I	80-89% Food, 11-20% Domestic	3.536
J	90-99% Food, 1-10% Domestic	3.763
K	0-9% Bakery, 91-100% Domestic	1.720
L	10-19% Bakery, 81-90% Domestic	2.202
M	20-29% Bakery, 71-80% Domestic	2.684
N	30-39% Bakery, 61-70% Domestic	3.166
O	40-49% Bakery, 51-60% Domestic	3.648
P	50-59% Bakery, 41-50% Domestic	4.130
Q	60-69% Bakery, 31-40% Domestic	4.612
R	70-79% Bakery, 21-30% Domestic	5.094
S	80-89% Bakery, 11-20% Domestic	5.576
T	90-99% Bakery, 1-10% Domestic	6.058
Minimum Monthly Treatment Charge:		
6513	Apartment Buildings (5 or more units)	\$33.00
	All Others	6.60





**Wastewater Department**

**Schedule B**

**Rates for Resource Recovery Waste Treatment**

**FY14**





SCHEDULE B <sup>(1)</sup>  
WASTEWATER DEPARTMENT  
RATES FOR RESOURCE RECOVERY MATERIAL TREATMENT

MATERIAL TYPE	RATE <sup>(2)</sup>
Septage	\$0.07/gal
Fats, Oil and Grease	\$0.11/gal nonconcentrated \$0.15/gal concentrated <sup>(3)</sup>
Groundwater	\$0.02/gal
Process Water	\$0.04/gal
Gray Water	<u>Variable with Total Dissolved Solid (TDS)</u> \$0.03/gal 0-75k mg/l TDS \$0.06/gal 75k-200k mg/l TDS
Sludge	<u>Variable with % Total Solids (TS)</u> \$0.05/gal up to 3% TS plus \$0.01/gal per %TS for TS between 3% to 20%
Liquid Organic Material	\$0.03/gal
Protein Material	\$0.06/gal up to 10% Total Solids \$0.08/gal over 10% Total Solids
Solid Organic Material	\$30-65/ton <sup>(4)</sup>
Permit Fee	\$200 (per year)

- (1) Payment collection for all Resource Recovery accounts shall follow the payment collection provisions contained in Section 13, Payment of Bills in the Regulations Governing Water Service to the Customers of EBMUD and Items C and K, Returned Payment Charge and Late Payment Penalty and Interest, of Schedule C of the Water System Rates and Charges.
- (2) For special accommodations, additional charges for actual personnel costs, equipment costs, and lab costs associated with the special accommodation will apply. Special accommodations include services provided by the District above and beyond what is typical, such as evaluation and testing of a unique material stream, special equipment to receive and process material, accommodations for large volumes, special off-hour deliveries that require additional staff support, or special treatment requirements.
- (3) Concentrated Fats, Oils and Grease are defined as any Fats, Oil and Grease material that has undergone any process to remove water fraction from the material.
- (4) Based on treatment costs (residual solids dewatering and disposal), gas production, volumes and other costs or benefits to the District.



**Wastewater Department**

**Schedule C**

**Industrial Permit Fees**

**FY14**





SCHEDULE C

WASTEWATER DEPARTMENT  
INDUSTRIAL PERMIT FEES

PERMIT TYPE	FEE
Wastewater Discharge Permit	\$2450 annual*
Estimation Permits	\$920 annual*
Limited Term Discharge Permit	\$995 annual**

\*Annual increase for existing customer permits will be limited to 10%.

\*\*Treatment rates for Limited Term Discharge Permit discharges will be based on Schedule B Rates for Resource Recovery Waste Treatment





**Wastewater Department**

**Schedule D**

**Other Fees**

**FY14**





SCHEDULE D

WASTEWATER DEPARTMENT  
OTHER FEES

TYPE	RATE
SF Bay Commercial Pollution Prevention Fee	\$5.48/Mo (a)
SF Bay Residential Pollution Prevention Fee	\$0.20/mo per dwelling unit (b)
Monitoring Fees	\$970
Violation Follow-Up Fees	
Stage 1	\$650
Stage 2	\$1,380 +(c)
Stage 3	\$2,890+(c)
Private Sewer Lateral Compliance Certificate	\$225

- (a) SF Bay Commercial Pollution Prevention Fee applicable to all non-residential accounts.
- (b) SF Bay Residential Pollution Prevention Fee applicable to all residential accounts. Fee will be charged per dwelling unit up to 5 dwelling units.
- (c) Violation follow-up fees do not include required testing. Testing fees will be charged in accordance with Schedule E Wastewater Department Testing Fees.



SCHEDULE D

WASTEWATER DEPARTMENT  
OTHER FEES

TYPE	RATE
SF Bay Commercial Pollution Prevention Fee	\$5.48/Mo (a)
SF Bay Residential Pollution Prevention Fee	\$0.20/mo per dwelling unit (b)
Monitoring Fees	\$970
Violation Follow-Up Fees	
Stage 1	\$650
Stage 2	\$1,380 +(c)
Stage 3	\$2,890+(c)
Private Sewer Lateral Compliance Fees	
Compliance Certificate	\$225
Time Extension Certificate	\$93
Inspection Reschedule	\$73
Extra Lateral or Additional Verification Test	\$66 per lateral
Off-Hours Verification	\$200 for 2.5 hours
Non-Compliance – Initial Fee	\$350
Non-Compliance – Monthly Fee	\$87

- (a) SF Bay Commercial Pollution Prevention Fee applicable to all non-residential accounts.
- (b) SF Bay Residential Pollution Prevention Fee applicable to all residential accounts. Fee will be charged per dwelling unit up to 5 dwelling units.
- (c) Violation follow-up fees do not include required testing. Testing fees will be charged in accordance with Schedule E Wastewater Department Testing Fees.

**Wastewater Department**

**Schedule E**

**Testing Fees**

**FY14**





**SCHEDULE E**

**WASTEWATER DEPARTMENT  
TESTING FEES**

<b>LABORATORY TEST CHARGES</b>	<b>FEE</b>	<b>METHOD</b>
Arsenic	\$120	SM3144 B-2009
Cadmium	70	EPA 200.7
Chromium	70	EPA 200.7
Copper	70	EPA 200.7
Iron	70	EPA 200.7
Lead	70	EPA 200.7
Mercury: Cold Vapor	120	EPA 245.1
Nickel	70	EPA 200.7
Silver	70	EPA 200.7
Zinc	70	EPA 200.7
ICP Metals Scan (including metals digestion)	115	EPA 200.7
Chemical Oxygen Demand: Filtered (CODF)	60	SM5220 D-1997
Total Suspended Solids (TSS)	45	SM2540 D-1997
Cyanide (Amenable to Chlorination)	115	SM4500 CN- H
Cyanide (Total)	100	SM4500 CN- C, E-1999
EPA 608 (Organochlorine pesticides & PCBs)	345	EPA 608
EPA 608 (PCBs only)	320	EPA 608: PCBs ONLY
EPA 624 (Volatile Organics)	255	EPA 624
EPA 624 ESD/R2 (Volatile Organics)	255	EPA 624 (EBMUD Modified)
EPA 625 (Semi-volatile Organics)	400	EPA 625
Oil & Grease: Gravimetric (EPA 1664)	110	EPA 1664
Oil & Grease: Hydrocarbons (EPA 1664)	140	EPA 1664
pH	25	SM4500-H + B-2000
Field Data (pH)	14	SM450-H + B-2000
Phenols: total	115	EPA 420.1
PCBs (SFEI 40 congeners)	700	EPA 1668C

\*ICP Metal Scan change is not per element





**Wastewater Department**

**Schedule F**

**Wet Weather Facilities Charge**

**FY14**





SCHEDULE F

WET WEATHER FACILITIES CHARGE

Annual Charge Collected on Property Tax Bill

TYPE	RATE
Single-Family Residential	\$82.34
Multi-Family Residential	\$82.34 per dwelling unit*
All Others	\$123.50

\*up to a maximum of 5 dwelling units.



**Wastewater Department**

**Schedule G**

**Capacity Fee**

**FY14**





SCHEDULE G  
WASTEWATER DEPARTMENT  
CAPACITY FEES

TABLE 1

Residential	(\$/dwelling unit) <sup>1,5</sup>	\$1,385 <sup>2</sup>
Non-Residential (\$/ccf/mo) <sup>3,5</sup>		
2010	Meat Products	\$567
2011	Slaughterhouses	627
2020	Dairy Product Processing	458
2030	Fruit and Vegetable Canning	380
2040	Grain Mills	412
2050	Bakeries (including Pastries)	675
2060	Sugar Processing	346
2077	Rendering Tallow	1,263
2080	Beverage Manufacturing & Bottling	281
2090	Specialty Foods Manufacturing	1,150
2600	Pulp and Paper Products	357
2810	Inorganic Chemicals Manufacturing	497
2820	Synthetic Material Manufacturing	119
2830	Drug Manufacturing	215
2840	Cleaning and Sanitation Products	422
2850	Paint Manufacturing	830
2893	Ink and Pigment Manufacturing	288
3110	Leather Tanning and Finishing	1,113
3200	Earthenware Manufacturing	272
3300	Primary Metals Manufacturing	217
3400	Metal Products Fabricating	127
3410	Drum and Barrel Manufacturing	1,105
3470	Metal Coating	137
4500	Air Transportation	170
5812	Food Service Establishments	440
7000	Hotels, Motels with Food Service	327
7210	Commercial Laundries	273
7215	Coin Operated Laundromats	210
7218	Industrial Laundries	696



SCHEDULE G

WASTEWATER DEPARTMENT

CAPACITY FEES

(Continued)

7300	Laboratories	\$156
7542	Automobile Washing and Polishing	203
8060	Hospitals	203
8200	Schools	149
	All Other BCC (includes dischargers of only segregated domestic wastes from sanitary conveniences)	207

Permit Accounts<sup>6</sup>

Flow (\$/ccf/mo)	\$106.98
CODF (\$/lb/mo)	23.18
TSS (\$/lb/mo)	43.00

<sup>1</sup> Includes BCC 6514 and 8800.

<sup>2</sup> Residential fee is calculated as follows:

Flow:	6.7	x	\$106.98	=	\$717
CODF:	7.9	x	23.18	=	183
TSS:	11.29	x	43.00	=	<u>485</u>
					\$1,385

<sup>3</sup> Capacity Fee is based on the anticipated maximum monthly flow contributions multiplied by the average wastewater strength measured or assigned for each classification of customer. The District may review the actual flow and strength within 24 months, once the business is fully established to verify the estimated demand for wastewater capacity. The review may result in the assessment of additional capacity fees if the actual flow and strength exceeds the original estimate.

<sup>4</sup> For non-residential customers with projected treatment revenues equal to or greater than 0.1% of the total District treatment revenue, the calculated capacity fee will be reduced by a Rate Stabilization Factor of 25%. Projected treatment revenue will be based on permit conditions at the time of application or on average wastewater strength measured for each classification of customer if a permit is not required for discharge. Total District treatment revenue will be based on the budgeted fiscal year amount at the time of application.





SCHEDULE G

WASTEWATER DEPARTMENT  
CAPACITY FEES  
(Continued)

<sup>5</sup>A credit may be provided for existing services. Where a new service will replace one or more existing or prior services to a premise where a capacity fee was paid, a credit will be given toward the new capacity fee demand and based on the previous capacity unit paid or if the existing service had not paid a capacity fee but in service since July 1, 1987 then the credit is based on historic use contributions.

<sup>6</sup> Total fee is a summation of the unit rates for flow, CODF, and TSS times permit conditions at the time of application.



**Wastewater Department**

**Schedule H**

**Wastewater Interceptor Connection Review  
and Inspection Fee**

**FY14**





SCHEDULE H

WASTEWATER DEPARTMENT  
WASTEWATER INTERCEPTOR CONNECTION REVIEW AND  
INSPECTION FEE

TYPE	RATE
Wastewater Interceptor Connection Review and Inspection Fee	
Plan Review and Project Coordination	\$1,750
Construction Inspection	2,300









## **RECOMMENDED SCHEDULES OF RATES, CHARGES AND FEES**

**FY14**

### Other District Fees

Real Property Use Application Fees

Public Records Act Fee Schedule and District Publications Fees

Schedule of Recreation Use Fees for July – December 2013

Schedule of Recreation Use Fees for January – June 2014



**Real Property Use Application Fees**

**FY14**





REAL PROPERTY USE APPLICATION FEES

TYPE OF USE	APPLICATION FEE
<b>Fee Title</b> ( <i>Outright purchase of District property</i> )	\$2,000.00
<b>Easement</b> ( <i>Rights for permanent use of District property, such as access, utilities, etc.</i> )	1,000.00
<b>Quitclaim</b> ( <i>Removal of District's right, title and interest to property</i> )	1,000.00
<b>Revocable License</b> ( <i>Permission to use District property for period exceeding one year, subject to revocation. For such uses as utility and road crossings of aqueduct properties</i> )	500.00
<b>Lease</b> ( <i>The right to occupy and use District land for a specified time period</i> )	600.00
<b>Telecommunication Lease</b> ( <i>Long-term lease for PCS, cellular and/or radio uses</i> )	2,000.00
<b>Information-only</b> ( <i>Request for information requiring research of District records. Information-only applicants will be charged a fee only if the estimated research time exceeds one hour</i> )	\$60/hr
<b>Processing and Review of Watershed Land Use Proposals</b> ( <i>Request for District to perform a formal evaluation of watershed land use proposal</i> )	\$60/hr (plus all other District costs)
<b>Property Entry Permits, Rights of Entry, Temporary Construction Permits</b> ( <i>Permission for temporary access onto District</i> )	100.00
<b>Limited Land Use Permit</b> ( <i>Allows landscaping, gardening or other minor surface use of District property, subject to annual renewal</i> )	25.00



**Public Records Act Fee Schedule**

**and**

**District Publications Fees**

**FY14**





## **PUBLIC RECORDS ACT FEE SCHEDULE**

### **INTRODUCTION**

The following Fee Schedule has been established by the East Bay Municipal Utility District to cover the costs for duplicating District documents, drawings, maps, recordings, and other records, as required by the Public Records Act.

East Bay Municipal Utility District offers access to its records upon receipt of a request, which reasonably describes an identifiable record. Any questions or requests concerning District documents should be addressed to the Secretary of the District, East Bay Municipal Utility District, P.O. Box 24055, Oakland, California 94623-1055, or by calling (510) 287-0404.

### **CHARGES**

Pursuant to the Public Records Act, the District can recover the "direct cost of duplication" for disclosable public records, unless a different charge is provided by statute. The direct cost of duplication generally covers two types of expenses – materials & equipment costs and labor costs.

- Materials & Equipment costs generally include the capital cost of the equipment, the maintenance contract, paper supplies, and other necessary expenses that must be incurred in order to make the equipment operational.
- Labor costs ordinarily include the pro rata salary and benefits of the clerical or technical employee operating the equipment.

The total cost for providing copies is a combination of materials, labor for actual duplication time, equipment usage, and postage, if applicable. The direct cost of duplication may vary depending on the size and type of media requested and the kind of reproduction equipment required.

Photocopies of non-District materials housed in the District Library or in other areas are charged at the same rate as District documents.

Prices quoted in this fee schedule are subject to change. An estimate of cost will be provided upon request.

Any records sent outside for duplication will be billed the actual cost of duplication by the outside vendor.

### **PAYMENT**

For requests estimated to cost over \$100 in duplication fees, a deposit in the amount of the estimated fee will be required before duplication.

For all requests, payment in advance is required before release of records. Acceptable methods of payment include cash or check (payable to East Bay Municipal Utility District).

**PUBLIC RECORDS ACT FEE SCHEDULE**

(Continued)

**INSPECTION/DELIVERY/PICK UP**

The requestor is entitled to inspect records and/or obtain copies of records during normal business hours (8:00 a.m. to 4:30 p.m., Monday through Friday).

If the requestor wishes records to be delivered, copies will be sent first class mail unless the requestor makes other arrangements for pick up or delivery with the Secretary's Office. Postage will be charged for copies mailed to the requestor.

Federal Express service is available if the requestor supplies a Federal Express account number.

**LEGAL COMPLIANCE OBLIGATIONS**

Responsibility for adherence to copyright law rests with the individual requesting copies.

**CATEGORIES**

This Fee Schedule covers the following categories of document types or formats:

- I. Paper Based Records
  - A. General Business Documents & Engineering Drawings
  - B. Printed Maps
  - C. Bid Documents for Publicly Bid Projects
  
- II. Electronically Stored or Generated Records
  - A. Records that already exist
  - B. Records that do not already exist
  - C. Audio Cassette Tapes
  - D. Compact Disks (CDs)
  - E. Digital Versatile Disks (DVDs)

Fees for document types/requests not covered herein will be provided upon request.



**PUBLIC RECORDS ACT FEE SCHEDULE**  
(Continued)

**I. PAPER BASED RECORDS**

**A. GENERAL BUSINESS DOCUMENTS & ENGINEERING DRAWINGS**

The fees charged for reproducing general business documents and engineering drawings, and printed maps photocopied onto regular paper in the sizes indicated below are based on the actual cost of duplication by District.

**Fee = Labor Cost (\$0.48 per minute duplicating time)  
+ Materials & Equipment Cost (e.g., cost per sheet or media)  
+ Postage (if applicable)**

- Labor Cost: Labor cost for duplication time is charged at the rate of \$0.48 per minute. Labor cost is based on the labor rate of a clerical employee and is charged only for the actual time spent on duplication.
- Material & Equipment: The duplicating cost per sheet or media type is based on the actual cost of materials and equipment needed to reproduce documents. As detailed below, fees will vary depending on the type and size of documents and the method used for duplication.

**1) Regular copies**

8-1/2 x 11 .....	\$0.09/pg
11 x 17 .....	0.17/pg

**2) Color copies**

Requests for color copies may be sent to an outside vendor and charged back to the requestor.

**3) Facsimile copies within the continental U.S.**

8-1/2 x 11 .....	0.50/pg
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**PUBLIC RECORDS ACT FEE SCHEDULE**  
(Continued)

**4) ENGINEERING DRAWINGS**

Size	Bond	Vellum
8-1/2 x 11	\$0.09	N/A
11 x 17	0.17	N/A
17 width	0.33	N/A
22 width	0.66	\$1.77
28 x 38	0.96	N/A

For sizes larger than those indicated in this chart, Engineering Records will determine the cost.

Drawings having a width greater than 36 inches cannot be reproduced on District equipment and must be sent out for commercial copying. These charges will be billed to the requestor.

**B. PRINTED MAPS**

The fees in this section apply to the duplication of existing hard copy B-maps. The fee listed is the cost per map for duplication by EBMUD’s print shop. All other pre-printed map sizes require special formatting and the cost for duplication by an outside vendor will be determined upon request.

- **B-maps**        250’ scale (11 x 17) includes Map View prints...\$0.99/map
- **Map Book Covers** ..... 38.64/cover

**C. BID DOCUMENTS FOR PUBLICLY BID PROJECTS**

Copies of plans and specifications for publicly bid construction projects are available through EBMUD’s Specifications, Cost Estimating, and Engineering Standard Records (ESR) Section at a per set cost established as each project is issued for bid. The fee will be based on the cost for duplication at EBMUD’s print shop or an outside copy service and postage, if applicable.

Pre-paid documents will be sent first class mail unless the requestor makes other arrangements for document pickup or delivery with the Specification’s Clerk. Federal Express service is available if the requestor supplies a Federal Express account number.

## **PUBLIC RECORDS ACT FEE SCHEDULE**

(Continued)

Contract Documents are also available for viewing and downloading online at EBMUD's public website: [www.ebmud.com](http://www.ebmud.com), via the "Business Opportunities" and "Construction Bid Opportunities" Link.

Copies of CD-ROM versions of contract documents in Adobe Acrobat format are available free of charge from the Specifications Clerk at 510-287-1040.

Copies of historic contract documents can be provided in accordance with the provisions of item 1: General Business Documents.

### **II. ELECTRONICALLY STORED OR GENERATED DATA**

The fees in this section apply to records stored electronically.

In general, there are two types of electronic records: (a) records that already exist on the system and merely require printing; and (b) records that do not currently exist and requires data compilation, extraction, or programming to produce. A different fee rate applies to each of these types of records.

#### **A. RECORDS THAT ALREADY EXIST**

When a requester seeks a record that already exists on the system (i.e., record merely needs to be retrieved and printed, and does not require data compilation, extraction, programming to produce), the following fee applies:

**Fee = Labor Cost (\$0.48 per minute duplicating time)  
Materials & Equipment Cost  
+ Postage (if applicable)**

Materials & Equipment cost varies with the types/formats of records requested, as specified below:

#### **1) Digital copies – PDF Files of B-maps**

Cost of Media:

▪ CD	\$ 3.05
▪ DVD	6.35
▪ Electronic transfer	N/C

**PUBLIC RECORDS ACT FEE SCHEDULE**  
(Continued)

**2) Maps on Demand**

Cost per copy:

Size	Bond	Vellum*	Bond Color
8-1/2 x 11	\$0.10	\$0.19	\$0.38
11 x 17	0.19	0.36	0.73
17 x 22	0.33	0.60	2.05
22 x 34	0.49	0.84	3.38
28 x 38	0.66	1.10	5.02

\*These costs reflect color plots produced only from existing files.

**3) Other Electronic Records**

Description	Charge Per Unit
- 8-1/2 x 11 (PC Printer)	\$0.09/pg
- CD	3.05/ea
- DVD	6.35/ea

**B. RECORDS THAT DO NOT ALREADY EXIST**

When a requester seeks records that do not currently exist on the system and requires data compilation, extraction, or programming to produce, the requestor shall pay the cost to construct a new record, and the cost of programming and computer services necessary to produce a copy of the record. However, please note that the District is under no obligation to provide records that do not already exist. Accordingly, the applicable fee is:

**Fee = Labor Cost (\$0.91 per minute production time)  
+ Materials & Equipment Cost (rates specified in Section II.A)  
+ Postage (if applicable)**

Labor cost is based on the "average technical labor" rate and is charged only for the actual time spent producing the record.

**PUBLIC RECORDS ACT FEE SCHEDULE**

(Continued)

This fee also applies when the request requires producing a record outside of the regularly scheduled interval.

**C. AUDIO CASSETTE TAPES**

Regular meetings of the Board of Directors are recorded on audiotape. Copies of tapes are available upon request.

Fee = Labor Cost (\$0.48 per minute duplicating time)  
Cost per tape (90-minute cassette tape = \$1.68/tape)  
+ Postage (if applicable)

**D. COMPACT DISCS (CDs)**

Fee = Labor Cost (\$0.48 per minute duplicating time)  
Cost per disc (CD-R Disc, Write-Once, 700MB, 80 Minute, 52X = \$3.05/disc)  
+ Postage (if applicable)

**E. DIGITAL VERSATILE DISCS (DVDs)**

Fee = Labor Cost (\$0.48 per minute duplicating time)  
Cost per disc (DVD+R, 16X, Single Sided, 4.7 GB/120 Minutes = \$6.35/disc)  
+ Postage (if applicable)



**DISTRICT PUBLICATIONS FEES**

**Fee =**  
 + **Cost of publication** (see below)  
 + **Sales tax**  
 + **Postage** (if applicable)

- MUD ACT \$5.15
- Rules and Regulations (Customer Service Book) 8.12
- Water Conserving Plants and Landscape for the Bay Area (Water Conservation Section)
  - 1 – 4 copies (EBMUD pickup) 12.00
  - 1 – 4 copies (mailed) 15.00
  - 5 or more copies 11.00
- Its Name Was MUD 18.00
- Educational Materials (Outside of District's Service Area)
  - Teachers Guides
    - 1 – 50 copies \$2.00 each
    - 51 – 1,500 copies 1.75 each
  - Student Workbooks
    - 1 – 5,000 copies 0.50 each
    - 5,001 – 50,000 copies 0.43 each
  - Captain Hydro Posters
    - 1 – 1,000 copies 0.70 each
    - 1,001 and up 0.50 each
- Plants and Landscapes for Summer Dry Climates of the San Francisco Bay Region
  - Soft cover
    - \$34.95 each
    - District customer and employee \$24.95 each
  - Hardcover
    - 49.95 each
    - District customer and employee 39.95 each
  - Wholesalers up to 55% discount
  - Vendors up to 40% discount



**Schedule of Recreation Use Fees**

**July – December 2013**





**RECREATION USE FEES  
July 2013\***

The following fees apply to use of the District's recreation facilities at Camanche Hills Hunting Preserve, Camanche Reservoir, Lafayette Reservoir, Pardee Reservoir, San Pablo Reservoir and on the District's Watershed Trail System.

All other (not included in this schedule) charges and fees for merchandise and services provided to the public in connection with the public uses of the recreation areas and facilities thereat shall be determined by the concessionaire or District and shall be reasonable and consistent with charges for similar merchandise and services at similar locations.

General Discount Program – Discounts from fees listed may be offered in order to attract new customers and/or improve revenues. General discounts will be applied for specified time frames and apply fairly and uniformly. General discounts must be approved by the Director of Water and Natural Resource Department in advance.

District employees, retirees and immediate family receive free vehicle entry and boat launch, and a camping discount equal the car entry fee (limit one per day).

Volunteer Discount Program – Free one-year Trail Use Permit and 50% discount on vehicle entry/parking and boat launch for those who contribute an annual minimum of 20 hours of volunteer work while participating in a District Volunteer Program.

Fishing Access Permits are required per persons 16 years of age or older. Up to four children 15 years and under and accompanied by a person who possesses a valid CA fishing license and daily fishing access permit, may fish under that fishing access permit subject to the daily possession limit of the permit holder. Every accompanied child, over the allowed number of 4, must have individual fishing access permits. Each child not accompanied by a fishing access permit holding adult must obtain his/her own fishing access permit.

No Fishing Access Permit is required on the two annual CDFG Free Fishing Days.

\*Fee years are by calendar year for all locations except the Camanche Hills Hunting Preserve where fees are for the hunting year October 1- September 30.



<b>CAMANCHE HILLS HUNTING PRESERVE</b>	<u>USE FEE</u>
<b>PHEASANTS, CHUKARS AND VALLEY QUAIL</b>	
Daily: 3 pheasants, 5 chukars or 6 quail	110.00
Driven Pheasant Shoot	250.00
<b>MALLARD DUCKS</b>	
Day Shoot: 5 bird limit	170.00
Shoot Out: 10 bird release	225.00
<b>PRE-SEASON AND POST-SEASON SHOOT-OUTS</b>	
6 bird mallard release	125.00
7 bird chukar release	125.00
<b>PRESERVE LICENSE (QUANTITY PRICE BREAK)</b>	
<b>PRESERVE LICENSE:</b>	
Initiation Fee (Family)	2,995.00
Initiation Fee (Corporate)	2,995.00
Annual Maintenance (Family)	200.00
Annual Maintenance (Corporate)	400.00
Season: (Preserve License Holders Only)	
15 pheasants	405.00
20 pheasants	540.00
40 pheasants	1,080.00
15 chukars	300.00
20 chukars	380.00
40 chukars	720.00
60 chukars	1,020.00
100 chukars	1,500.00
15 Valley quail	225.00
<b>LICENSED GUIDE GOOSE HUNT (PER PERSON/HUNT)</b>	200.00
<b>BIRD PROCESSING: (PRICE PER EACH)</b>	
Pheasant	4.00
Chukar	4.00
20-bird card (pheasant and chukar)	3.50
Duck	4.50
Goose	10.00
Smoking (all birds)	5.00
<b>Dog Rental</b>	
Half Day	75.00
Full Day	140.00
Special Hunt	140.00



**SCHEDULE OF RATES AND CHARGES TO CUSTOMERS  
OF THE EAST BAY MUNICIPAL UTILITY DISTRICT**

<b>CAMANCHE HILLS HUNTING PRESERVE (continued)</b>	<u>USE FEE</u>
<b>SPORTING CLAYS</b>	
Full Round Course (100 targets)	38.00
Half Round Course (50 targets)	20.00
Additional Round	10.00
Full-Day	50.00
25 targets (5-Stand/Grouse bunker)	7.00
25 targets (Skeet/trap)	6.00
<b>CORPORATE/GROUP ACTIVITIES (PRICE PER PERSON)</b>	
5-Stand/Grouse Bunker Clay Shoot	60.00
Round of Sporting Clays/5-Stand	60.00
Round of S.Clays/Grouse bunker	60.00
Round of S.Clays/Driven Pheasant Shoot (10 birds)*	300.00
Round of S.Clays/Flighted Mallard Shoot (10 birds)*	300.00
Round of S.Clays/Pheasant Flurry*	300.00
Grouse Bunker Clay Shoot/Flighted Mallard Shoot (10 birds)*	300.00
Flighted Mallard Shoot (10 birds) and Driven Pheasant Shoot (10 birds)*	540.00
* Guide Included	
<u>RV Parking Area</u> Nightly	6.00
Clubhouse Rental (daily)	500.00
Kitchen Rental (daily)	500.00
Grounds (daily)	500.00



**Camanche Hills Hunting Preserve  
Discounts, Special Programs and Limitations**

Free bird hunting and sporting clays shooting is offered to the communications media, based on the availability of birds and the sporting clays course.

Free use of the facilities is offered to non-profit hunting organizations for family, disabled and junior hunting functions.

A Sporting Clay discount of 15% is offered to Senior/Disabled/Former POW/Disabled Veteran visitors.

A Driven Pheasant Shoot discount of 15% is offered to Senior/Disabled/Former POW/Disabled Veteran visitors.

An RV Parking discount of 50% is offered to Senior/Disabled/Former POW/Disabled Veteran visitors.

Daily field trial events are permitted on a limited basis. Fees range from \$0 for qualified non-profit organizations to a maximum of \$200.00.

EBMUD employees and retirees, concession employees and Tri-County (Amador, Calaveras and San Joaquin) Public Safety Personnel receive a 20% discount on food purchases and a 10% discount on sporting clays.

Discounts and incentives are separate and cannot be combined for a larger discount or incentive.

The Daily fee is valid only on the date of purchase and provides the hunter with the opportunity to hunt for and harvest one of the following: 3 pheasants, 5 chukars or 6 quail.



**CAMANCHE RESERVOIR - NORTH SHORE  
AND SOUTH SHORE RECREATION AREAS**

USE FEE

**VEHICLE ENTRY/PARKING  
CAR/MOTORCYCLE/SMALL VAN**

Daily	12.00
Daily, after 3:00pm on non-holiday weekends	7.50
Daily (Off-season)	7.50
Nightly (non-camping)	12.00
Annual	150.00
6 mos. (July 1 – Dec 31)	75.00
Senior/Disabled/Former POW/Disabled Veteran Annual	75.00
Senior/Disabled/Former POW/Disabled Veteran Annual 6 mos. July 1 – Dec 31 annual prorated	37.50
Combined Car/Boat Daily	16.50
Combined Car and Boat 5 Use Card (Off- season)	55.00
Combined Car and Boat 5 Use Card, after 3:00pm weekdays	35.00
Annual Marina Overnight/Day Use	210.00

**VEHICLE ENTRY/PARKING  
LARGE VANS AND BUSES**

Large Vans - 10-20 Passengers	18.00
Buses – 21+ Passengers	35.00

<b>DOG - daily</b>	5.00
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**BOAT LAUNCH**

Daily	9.00
Daily (Off-season)	6.50
Night	9.00
Annual	140.00
6 month July 1 – Dec 31 annual prorated	70.00
Senior/Disabled/Former POW/Disabled Veteran Annual	70.00
Senior/Disabled/Former POW/Disabled Veteran Annual 6-month July 1 through Dec 31	35.00
Boat Inspection Fee	7.00



**CAMANCHE RESERVOIR - NORTH SHORE  
AND SOUTH SHORE RECREATION AREAS  
(continued)**

USE FEE

**BOAT MOORING (Buoy)**

Nightly	14.00
Weekly	80.00
Monthly: under 30 feet	240.00
30 feet & larger	325.00
Annual: under 30 feet	1,300.00
30 feet & larger	1,700.00

**BOAT SLIP OPEN (Excl. park entry)**

Daily	22.00
Weekly	130.00
Monthly	320.00
Annual	1,500.00
8 Months	1,300.00
Key Security Deposit	10.00

**BOAT SLIP COVERED – 24’ Length  
Maximum**

Daily	28.00
Weekly	150.00
Monthly	400.00
Annual	1,700.00
Key Security Deposit	10.00

**BOAT SLIP COVERED – (over 24’ Length  
Excl. Park Entry)**

Daily	32.00
Weekly	180.00
Monthly	480.00
Annual	2,100.00
Key Security Deposit	10.00





<b>CAMANCHE RESERVOIR - NORTH SHORE AND SOUTH SHORE RECREATION AREAS (continued)</b>	<u>USE FEE</u>
<b>RV/TRAILER/BOAT STORAGE (Excl. park entry)</b>	
Weekly	45.00
Monthly	110.00
12 Months, consecutive	650.00
Monthly – 30’ Length Maximum (Concurrent with Mooring/Slip Rental)	55.00
Monthly – Over 30’ (Concurrent with Mooring/Slip Rental)	85.00
Annual – 30’ Length Maximum (Concurrent with Mooring/Slip Rental)	300.00
Annual – Over 30’ (Concurrent with Mooring/Slip Rental)	425.00
Annual – concurrent with Mobile Home Space rent	425.00
<b>FISHING ACCESS PERMIT</b>	
Daily	5.00
Annual	100.00
6 month July 1 through Dec 31 (annual prorated)	50.00
<b>CAMPSITE (w/vehicle parking)</b>	
Nightly	28.00
Nightly (Off-season – Friday thru Sunday nights)	16.00
Midweek (Monday thru Thursday night)	8.00
Second Car Parking	12.00
Weekly	150.00
Second Car Weekly	70.00
14 nights	275.00
5 Use Card (Off-season)	75.00
Camping Reservation Fee	10.00



<b>CAMANCHE RESERVOIR - NORTH SHORE AND SOUTH SHORE RECREATION AREAS (continued)</b>	<u>USE FEE</u>
<b>LAKESIDE PREMIUM CAMPSITES</b>	
Nightly	35.00
Nightly (Off Season Friday thru Sunday nights)	16.50
Midweek (Monday thru Thursday night)	8.25
Second Car Parking	12.00
Weekly	180.00
Second Car Weekly	75.00
14 Nights	330.00
5 Use Card (Off Season)	75.00
<b>CAMPSITES WITH YURT STRUCTURES</b>	
8 person nightly	65.00
16 person nightly	110.00
8 person weekly	375.00
16 person weekly	625.00
<b>CAMPSITE (WALK-IN/BICYCLE PARKING – 8 PERSON/BIKE MAX)</b>	
Nightly	25.00
Weekly	135.00
14 nights	255.00
<b>GROUP CAMP (Nightly)</b>	
Group Assembly Area	80.00
8-Person Limit (Horse Camp, 4 persons, 4 horses max)	45.00
12-Person Limit	80.00
16-Person Limit	95.00
24-Person Limit	115.00
32-Person Limit	155.00
64-Person Limit	275.00
72-Person Limit	325.00
<b>GROUP CAMP (Nightly, off season)</b>	
Group Assembly Area	40.00
8-Person Limit (Horse Camp)	25.00
12-Person Limit	45.00
16-Person Limit	50.00
24-Person Limit	55.00
32-Person Limit	60.00
64-Person Limit	135.00
72-Person Limit	160.00



<b>CAMANCHE RESERVOIR - NORTH SHORE AND SOUTH SHORE RECREATION AREAS (continued)</b>	<u>USE FEE</u>
<b>RV SITE</b>	
Nightly	47.50
Weekly	270.00
Monthly	500.00
Season (6-Month Max.)	1,850.00
6 night off-season use card (Off Season)	180.00
Premium Sites (Peak Season)	52.50
Premium Sites Weekly (Peak Season)	325.00
<b>TOWING</b>	
Camanche Recreation Area per hour	110.00
<b>MISCELLANEOUS</b>	
Camanche Recreation Area Lake Tours	14.00
Holding Tank Pumping	75.00
<b>COTTAGE/MOTEL GENERAL</b>	
Camanche Recreation Area – Security Deposit	200.00
Additional Guest Charge (to maximum occupancy)	15.00
<b>COTTAGE (4-Person Base)</b>	
May - Sept: Night	170.00
Week	800.00
Oct-March: Night	115.00
Week	570.00
Month	1,500.00
<b>COTTAGES (6-Person Base)</b>	
May-Sept: Night	215.00
Week	935.00
Oct-April: Night	150.00
Week	700.00
Month	1,250.00



**CAMANCHE RESERVOIR - NORTH SHORE  
AND SOUTH SHORE RECREATION AREAS  
(continued)**

USE FEE

**COTTAGES (10-Person Base)**

May-Sept:	Night	270.00
	Week	1,325.00
Oct-April:	Night	155.00
	Week	785.00
	Month	1,325.00

**MOTEL (TWIN)**

May-Sept:	Night	80.00
	Week	400.00
Oct-April:	Night	60.00
	Week	300.00
	Month	525.00

**MOTEL (KING)**

May-Sept:	Night	99.00
	Week	480.00
Oct-April:	Night	79.00
	Week	390.00
	Month	650.00

**MOBILE HOME (MONTHLY)**

2 bedroom	CY12 Rate + HUD FMR
3 bedroom	CY12 Rate + HUD FMR
4 bedroom	CY12 Rate + HUD FMR

**MOBILE HOME SPACES (MONTHLY)**

North Shore 1A	CY12 Rate + HUD FMR
North Shore 1B	CY12 Rate + HUD FMR
North Shore 2	CY12 Rate + HUD FMR
South Shore	CY12 Rate + HUD FMR



**CAMANCHE RESERVOIR - NORTH SHORE  
AND SOUTH SHORE RECREATION AREAS  
(continued)**

USE FEE

**OTHER MOBILE HOME FEES (Per Space –  
Monthly)**

Guest Fee	75.00
Late Rent/Returned Check Fee	40.00

**FACILITY RENTAL**

Lakeside Hall Daily (hall only)	600.00
Lakeside Hall Daily (kitchen & serviceware included)	850.00
Lakeside Hall Cleaning and Equipment Deposit	1,000.00
Camanche Clubhouse Rental Daily	150.00
Camanche Clubhouse Rental	100.00

\*HUD FMR is the Housing and Urban Development Fair Market Rents Index which is published by HUD each October. The mobile home rental space rate will be adjusted annually based on the percent change in the HUD FMR index for 2-bedroom homes averaged for Amador and Calaveras Counties.



**Camanche Reservoir – North and South Shore Recreation Area Discounts, Special Programs, Limitations.**

Concessionaire Employees may receive free entrance and use of rental boats during off-hours, 20% discount on food and merchandise, and a camping discount equal to the car entrance fee. Limited to one free vehicle entry and one free boat rental per employee per day

Concessionaire and/or District may provide free entry and use of rental boats for disadvantaged groups (e.g. disabled, senior, youth, veteran), and for media to promote the recreation area.

Public Safety Personnel in Amador, Calaveras and San Joaquin receive free day use.

Senior/Disabled/Former POW/Disabled Veterans – 50% Discount on annual, 6-month and 3-month entry and boat launch fees, and on non-weekend, non-holiday boat rentals. Senior rates are for individuals with a driver's license or ID showing age 62 or older.

Mobilehome Park Tenants-50% off non-holiday weekday boat rentals and additional 25% off for qualifying Senior/Disabled/Former POW/Disabled Veteran tenants. Special additional incentives for non-holiday Tuesday boat rentals. 40% discount on off-season monthly open slip, covered slip and mooring buoy fees. 10% discount on regularly priced marina/store items not including fishing access permits, fishing license, prepared food/beverage, gasoline and propane.

Groups of four or less individuals meeting the criteria for disabled discounts shall be eligible to rent the 6-person ADA cottages at Camanche for the 4-person cottage rate.

Concessionaire or District can issue return coupons for free entry or camping for dissatisfied customers.

Groups participating in volunteer District facility improvement programs receive 50% discount on entry and camping fees.

Short-term visitor passes may be issued for periods up to one-hour.

Campsite charges include one vehicle entry, and RV site charges include a second/tow vehicle. Monthly and Seasonal RV Park fees include one vehicle entry, but do not include electricity charge. Electricity is metered and charged separately. Each of the daily charges, except the fishing access permit, shall be valid and effective for the calendar day upon which the charge was made, from one hour before sunrise until one hour after sunset.

Fishing access permits are valid until midnight of said day.

Each of the weekly charges shall be valid and effective for the calendar week in which the charge is made, terminating at 1:00 p.m. on the seventh consecutive day of said period. The seasonal charges noted for each recreation area shall be valid and effective for a period not exceeding 24 consecutive hours and terminating at 1:00 p.m. during said period.



**Camanche Reservoir – North and South Shore Recreation Area Discounts, Special Programs, Limitations (continued).**

Check out time for all RV sites in 1:00 p.m.

Peak Season is May 1 – September 30. Off-season is October 1 – April 30.

Premium Campsite or Premium RV site is a site that due to enhanced amenities, waterfront access or other special features is rented at a higher rate than a standard site.

Standard campsites may have a maximum of 8 people and 2 vehicles.

Short-term visitor passes may be issued for periods up to one-hour.



<b>LAFAYETTE RECREATION AREA</b>	<u>USE FEE</u>
<b>ENTRY AND PARKING - CAR/MOTORCYCLE/SMALL VAN</b>	
Daily	7.00
Annual (new; includes \$25 access card)	145.00
Annual (renewal, using existing access card)	120.00
Replacement access card (gate card)	25.00
Parking Meters ½ hour (may be increased up to a maximum rate of 0.75 per ½ hour prior to CY13)	.75
Senior/Disabled/Former POW/Disabled Veteran Season (new)	105.00
Senior/Disabled/Former POW/Disabled Veteran Season (renewal upon existing access card)	80.00
<b>ENTRY AND PARKING LARGE VANS AND BUSES</b>	
Large Vans - 10-20 Passengers	18.00
Buses – 21+ Passengers	33.00
<b>DOG</b> (no charge)	
<b>COMMERCIAL USES (in addition to the base fee noted below, the Director of Water and Natural Resources may set an additional fee to recover District’s direct costs plus overhead.)</b>	
Commercial Use	
Small (up to 10 people)	100.00
Medium (from 11 to 50 people)	500.00
Large (from 51 to 150 people)	1,000.00
<b>BOAT LAUNCH</b>	
Daily	4.00
Annual	50.00
<b>FISHING ACCESS</b>	
Daily	4.00
<b>GROUP PICNIC</b>	
Small Site (Weekend/Holiday)	200.00
Small Site (Weekday/Non-Holiday)	100.00
Large Site (Weekend/Holiday)	350.00
Large Site (Weekday/Non-Holiday)	175.00
Special Events Fee	500.00
	+ \$1/ participant





**Lafayette Reservoir – Discounts, Special Programs, Limitations.**

District may provide free entry and use of rental boats for disadvantaged groups (e.g. disabled, senior, youth, veteran), and for media to promote the recreation area.

Senior/Disabled/Former POW/Disabled Veterans – 50% discount on boat launch fees and on non-weekend non-holiday boat rentals. Senior rates are for individuals with a drivers' license showing age 62 or older.



<b>PARDEE RECREATION AREA</b>	<u>USE FEE</u>
<b>VEHICLE ENTRY AND PARKING - CAR/MOTORCYCLE/SMALL VAN</b>	
Daily/Nightly (Non-Camping)	8.50
Season	102.00
Combined Car/Boat Daily	14.00
<b>VEHICLE ENTRY AND PARKING LARGE VANS AND BUSES</b>	
Large Vans - 10-20 Passengers	18.00
Buses – 21+ Passengers	33.00
<b>DOG</b>	4.00
<b>STANDARD BOAT LAUNCH</b>	
Daily (Weekend included)	7.50
Season	88.00
Boat Inspection Fee	7.00
<b>CARTOP BOAT LAUNCH (Float Tube, Kayak, Canoe, Scull)</b>	
Daily	3.50
Season	36.00
<b>BOAT MOORING</b>	
Daily	7.00
Weekly	N/A
Monthly	110.00
Season	410.00
<b>BOAT SLIP (excl. park entry)</b>	
Daily	8.50
Weekly	42.50
Monthly	130.00
Season	650.00
Season (concurrent with season RV)	600.00
<b>FISHING ACCESS</b>	
Daily	4.00
Annual	120.00
<b>MISCELLANEOUS</b>	
RV/Campsite Reservation Fee	8.00



<b>PARDEE RECREATION AREA (continued)</b>	<u>USE FEE</u>
<b>STANDARD CAMPSITE (w/vehicle parking)</b>	
Nightly	22.00
Second Car Parking	11.00
Weekly	132.00
Second Car Parking	66.00
<b>PREMIUM CAMPSITE (w/vehicle parking)</b>	
Nightly	27.00
Weekly	162.00
<b>CAMPSITE (walk-in/bicycle parking)</b> (8 person/8 bike maximum)	
Nightly	16.00
Weekly	96.00
<b>DOUBLE CAMPSITE (16 people/ 2 vehicles)</b>	
Nightly	46.00
Third or Fourth Vehicle	12.00
<b>RV SITE</b>	
Nightly	32.00
Weekly	192.00
Monthly	410.00
Season	2,300.00
Season – Premium Site	2,600.00
<b>RV/TRAILER/BOAT STORAGE (Excl. park entry)</b>	
Daily	6.50
Weekly	39.00
Monthly	60.00
Season	480.00
Season – concurrent with season RV Site	430.00
Winter RV Storage – concurrent with Season RV Site	200.00
<b>TOWING</b>	60.00
<b>RESERVABLE SITE/FACILITY (charges in addition to above fees)</b>	
Small (25 or less persons)	50.00
Medium (26-100 persons)	75.00
Large (101-150 persons)	100.00
Over 150 persons	200.00
Café/Pool Day Use Area (refundable deposit)	50.00



**PARDEE RESERVOIR - DISCOUNTS, SPECIAL PROGRAMS, LIMITATIONS.**

Concessionaire Employees may receive free entrance and use of rental boats during off-season hours, 20% discount on food and merchandise, and a camping discount equal to the car entrance fee. Limited to one free vehicle entry and one free boat rental per employee per day.

Concessionaire and/or District may provide free entry and use of rental boats for disadvantaged groups (e.g. disabled, senior, youth, veteran), and for media to promote the recreation area.

Public Safety Personnel in Amador, Calaveras and San Joaquin receive free day use.

Senior/Disabled/Former POW/Disabled Veterans – 50% Discount on annual, 6-month and 3-month entry and boat launch fees, and on non-weekend, non-holiday boat rentals. Senior rates are for individuals with a driver's license or ID showing age 62 or older.

Concessionaire or District can issue return coupons for free entry or camping for dissatisfied customers.

Groups participating in volunteer District facility improvement programs receive 50% discount on entry and camping fees.

Campsite charges include one vehicle entry, and RV site charges include a second/tow vehicle.

Monthly and Seasonal RV Park fees include one vehicle entry, but do not include electricity charge. Electricity is metered and charged separately.

Each of the daily charges, except the fishing access permit, shall be valid and effective for the calendar day upon which the charge was made, from one hour before sunrise until one hour after sunset. Fishing access permits are valid until midnight of said day.

Each of the weekly charges shall be valid and effective for the calendar week in which the charge is made, terminating at 1:00 p.m on the seventh consecutive day of said period.

Each of the nightly charges shall be valid and effective for a period not exceeding 24 consecutive hours and terminating at 1:00 p.m during said period.

Premium Campsite or Premium RV site is a site that, due to enhanced amenities, waterfront access or other special features, is rented at a higher rate than a standard site. Standard campsites may have a maximum of 8 people and 2 vehicles. Short-term visitor passes may be issued for periods of up to one hour.



	<u>USE FEE</u>
<b>SAN PABLO RECREATION AREA ENTRY AND PARKING – CAR/MOTORCYCLE/SMALL VAN</b>	
Daily	7.00
Daily (Special Events)	4.00
Season	97.50
3-Month Season	32.00
<b>ENTRY AND PARKING LARGE VANS AND BUSES</b>	
Large Vans - 10-20 Passengers	22.00
Buses – 21+ Passengers	40.00
<b>DOG</b>	3.00
<b>COMMERCIAL USE (in addition to the base fee noted below, the Director of Water and Natural Resources may set an additional fee to recover District’s direct costs plus overhead.)</b>	
Small (up to 10 people)	120.00
Medium (11 to 50 people)	600.00
Large (51 to 150 people)	1,200.00
<b>STANDARD BOAT LAUNCH</b>	
Daily	7.00
Season (Entry & Boat Launch)	188.00
3-Month Season (Entry & Boat)	62.00
<b>CARTOP BOAT LAUNCH (Float Tube, Kayak, Canoe, Scull)</b>	
Daily	4.00
Season (Entry and Cartop Launch)	124.00
3-Month Season (Entry & Cartop Launch)	41.00
<b>FISHING ACCESS</b>	
Daily	5.00
<b>GROUP PICNIC</b>	
Large Sites (Oaks & Pine) daily	260.00
<b>GAZEBO</b>	60.00
<b>TOWING</b>	65.00



<b>SAN PABLO RECREATION AREA (continued) VISITOR CENTER &amp; DECK RENTAL</b>	<u>USE FEE</u>
WEEKDAY EVENING VISITOR CENTER & DECK (Minimum charge for up to 3 hours)	250.00
Extra hours	70.00
WEEKEND EVENING VISITOR CENTER & DECK (Minimum charge for up to 5 hours)	400.00
Extra hours	70.00
Evening Event Cleaning and Damage Deposit	
Events ending before 7:00 pm	150.00
Events ending after 7:00 pm	350.00
<b>WEEKDAY VISITOR CENTER &amp; DECK (8:00am-4:00pm)</b>	200.00
2 consecutive days	350.00
3 consecutive days	500.00
Daytime Event Cleaning and Damage Deposit	125.00



**SAN PABLO RESERVOIR – Discounts, Special Programs, Limitations.**

Concessionaire employees may receive free entrance and use of rental boats during off-hours, and 20% discount on food and merchandise. Discount is limited to one free vehicle entry and one free boat rental per employee per day. To qualify, a concession employee must work a minimum of 20 hours per week, Sunday through Saturday.

Concessionaire and/or District may provide free entry and use of rental boats for disadvantaged groups (e.g. disabled, senior, youth, veteran), and for media to promote the recreation area.

Concessionaire or District can issue return coupons for free entry or camping for dissatisfied customers.

Each of the daily charges, including the fishing access permit, shall be valid and effective for the calendar day upon which the charge was made, from the time the park opens until it closes each day.

Groups participating in volunteer District facility improvement programs receive 50% discount on entry fees.

Senior/Disabled/Former POW/Disabled Veterans – 50% Discount on annual, 6-month and 3-month entry and boat launch fees, and on non-weekend, non-holiday boat rentals. Senior rates are for individuals with a driver's license or ID showing age 62 or older.

Unless determined otherwise, the recreation season is mid-February through October (dates selected by concessionaire with District approval).



<b>WATERSHED TRAIL SYSTEM</b>	<u>USE FEE</u>
<b>WATERSHED TRAILS</b>	
Daily Permit	2.50
Annual Permit	10.00
Three-Year Permit	20.00
Five-Year Permit	30.00



**Schedule of Recreation Use Fees**

**January – June 2014**





**RECREATION USE FEES**

**January 2014\***

The following fees apply to use of the District's recreation facilities at Camanche Hills Hunting Preserve, Camanche Reservoir, Lafayette Reservoir, Pardee Reservoir, San Pablo Reservoir and on the District's Watershed Trail System.

All other (not included in this schedule) charges and fees for merchandise and services provided to the public in connection with the public uses of the recreation areas and facilities thereat shall be determined by the concessionaire or District and shall be reasonable and consistent with charges for similar merchandise and services at similar locations.

General Discount Program – Discounts from fees listed may be offered in order to attract new customers and/or improve revenues. General discounts will be applied for specified time frames and apply fairly and uniformly. General discounts must be approved by the Director of Water and Natural Resource Department in advance.

District employees, retirees and immediate family receive free vehicle entry and boat launch, and a camping discount equal the car entry fee (limit one per day).

Volunteer Discount Program – Free one-year Trail Use Permit and 50% discount on vehicle entry/parking and boat launch for those who contribute an annual minimum of 20 hours of volunteer work while participating in a District Volunteer Program.

Fishing Access Permits are required for persons 16 years of age or older. Up to four children 15 years and under and accompanied by a person who possesses a valid CA fishing license and daily fishing access permit, may fish under that fishing access permit subject to the daily possession limit of the permit holder. Every accompanied child, over the allowed number of 4, must have individual fishing access permits. Each child not accompanied by a fishing access permit holding adult must obtain his/her own fishing access permit.

No Fishing Access Permit is required on the two annual CDFW Free Fishing Days.

\*Fee years are by calendar year for all locations except the Camanche Hills Hunting Preserve where fees are for the hunting year October 1- September 30.



<b>CAMANCHE HILLS HUNTING PRESERVE</b>	<u>USE FEE</u>
<b>PRESERVE LICENSE (QUANTITY PRICE BREAK)</b>	
<b>PRESERVE LICENSE:</b>	
Initiation Fee (Family)	2,995.00
Initiation Fee (Corporate)	2,995.00
Annual Maintenance (Family)	200.00
Annual Maintenance (Corporate)	400.00
 <b>LICENSED GUIDE GOOSE HUNT (PER PERSON/HUNT)</b>	 200.00
<b>BIRD PROCESSING: (PRICE PER EACH)</b>	
Pheasant	4.00
Chukar	4.00
20-bird card (pheasant and chukar) for 20	70.00
Duck	4.50
Goose	10.00
Smoking (all birds)	5.00
 <b>Dog Rental</b>	
Half Day	75.00
Full Day	140.00
Special Hunt	140.00
 <b>SPORTING CLAYS</b>	
Full Round Course (100 targets)	38.00
Half Round Course (50 targets)	20.00
Additional Round	10.00
Full-Day	50.00
25 targets (5-Stand/Grouse bunker)	7.00
25 targets (Skeet/trap)	6.00
 <b>ARCHERY RANGE AND COURSE</b>	
7 Station 3-D target Course	
Per person	10.00
Per pair	18.00
Per family (max 4)	34.00
 <u>RV Parking Area</u>	
Nightly	6.00
 Clubhouse Rental (daily)	500.00
Kitchen Rental (daily)	500.00
Grounds (daily)	500.00



**Camanche Hills Hunting Preserve  
Discounts, Special Programs and Limitations**

Pricing for planted bird hunting will be reviewed and approved by the Director of Water and Natural Resources.

Free bird hunting and sporting clays shooting is offered to the communications media, based on the availability of birds and the sporting clays course.

Free use of the facilities is offered to non-profit hunting organizations for family, disabled and junior hunting functions.

A Sporting Clay discount of 15% is offered to Senior/Disabled/Former POW/Disabled Veteran visitors.

A Driven Pheasant Shoot discount of 15% is offered to Senior/Disabled/Former POW/Disabled Veteran visitors.

An RV Parking discount of 50% is offered to Senior/Disabled/Former POW/Disabled Veteran visitors.

Daily field trial events are permitted on a limited basis. Fees range from \$0 for qualified non-profit organizations to a maximum of \$200.00.

EBMUD employees and retirees, concession employees and Tri-County (Amador, Calaveras and San Joaquin) Public Safety Personnel receive a 20% discount on food purchases and a 10% discount on sporting clays.

Discounts and incentives are separate and cannot be combined for a larger discount or incentive.



<b>CAMANCHE RESERVOIR - NORTH SHORE AND SOUTH SHORE RECREATION AREAS</b>	<u>USE FEE</u>
<b>VEHICLE ENTRY/PARKING CAR/MOTORCYCLE/SMALL VAN</b>	
Daily	12.00
Daily, after 3:00pm on non-holiday weekends	7.50
Daily (Off-season)	7.50
Nightly (non-camping)	12.00
Annual	150.00
Senior/Disabled/Former POW/Disabled Veteran Annual	75.00
Combined Car/Boat Daily	16.50
Combined Car and Boat 5 Use Card (Off- season)	55.00
Combined Car and Boat 5 Use Card, after 3:00pm weekdays	35.00
Annual Marina Overnight/Day Use	210.00
<b>VEHICLE ENTRY/PARKING LARGE VANS AND BUSES</b>	
Large Vans - 10-20 Passengers	18.00
Buses – 21+ Passengers	35.00
<b>DOG - daily</b>	5.00
<b>BOAT LAUNCH</b>	
Daily	9.00
Daily (Off-season)	6.50
Night	9.00
Annual	140.00
Senior/Disabled/Former POW/Disabled Veteran Annual	70.00



**CAMANCHE RESERVOIR - NORTH SHORE  
AND SOUTH SHORE RECREATION AREAS  
(continued)**

USE FEE

**BOAT MOORING (Buoy)**

Nightly	15.00
Weekly	80.00
Monthly: under 30 feet	250.00
30 feet & larger	325.00
Annual: under 30 feet	1,400.00
30 feet & larger	1,800.00

**BOAT SLIP OPEN (Excl. park entry)**

Daily	25.00
Weekly	140.00
Monthly	350.00
Annual	1,600.00
8 Months	1,350.00
Key Security Deposit	10.00

**BOAT SLIP COVERED – 24’ Length  
Maximum**

Daily	30.00
Weekly	160.00
Monthly	450.00
Annual	1,800.00
Key Security Deposit	10.00

**BOAT SLIP COVERED – (over 24’ Length  
Excl. Park Entry)**

Daily	35.00
Weekly	200.00
Monthly	525.00
Annual	2,200.00
Key Security Deposit	10.00



**CAMANCHE RESERVOIR - NORTH SHORE  
AND SOUTH SHORE RECREATION AREAS  
(continued)**

USE FEE

**RV/TRAILER/BOAT STORAGE (Excl. park  
entry)**

Weekly	45.00
Monthly	110.00
12 Months, consecutive	650.00
Monthly – 30' Length Maximum (Concurrent with Mooring/Slip Rental)	55.00
Monthly – Over 30' (Concurrent with Mooring/Slip Rental)	85.00
Annual – 30' Length Maximum (Concurrent with Mooring/Slip Rental)	300.00
Annual – Over 30' (Concurrent with Mooring/Slip Rental)	425.00
Annual – concurrent with Mobile Home Space rent	425.00

**FISHING ACCESS PERMIT**

Daily	5.00
Annual	100.00
6 month July 1 through Dec 31 (annual prorated)	50.00

**CAMPSITE (w/vehicle parking)**

Nightly	28.00
Nightly (Off-season – Friday thru Sunday nights)	16.00
Midweek (Monday thru Thursday night)	8.00
Second Car Parking	12.00
Weekly	150.00
Second Car Weekly	70.00
14 nights	275.00
5 Use Card (Off-season)	75.00
Camping Reservation Fee	10.00





	<u>USE FEE</u>
<b>CAMANCHE RESERVOIR - NORTH SHORE AND SOUTH SHORE RECREATION AREAS (continued)</b>	
<b>LAKESIDE PREMIUM CAMPSITES</b>	
Nightly	35.00
Nightly (Off Season Friday thru Sunday nights)	16.50
Midweek (Monday thru Thursday night)	8.25
Second Car Parking	12.00
Weekly	180.00
Second Car Weekly	75.00
14 Nights	330.00
5 Use Card (Off Season)	75.00
<b>CAMPSITES WITH YURT STRUCTURES</b>	
8 person nightly	70.00
16 person nightly	120.00
8 person weekly	385.00
16 person weekly	635.00
<b>CAMPSITE (WALK-IN/BICYCLE PARKING – 8 PERSON/BIKE MAX)</b>	
Nightly	25.00
Weekly	135.00
14 nights	255.00
<b>GROUP CAMP (Nightly)</b>	
Group Assembly Area	80.00
8-Person Limit (Horse Camp, 4 persons, 4 horses max)	47.50
12-Person Limit	82.50
16-Person Limit	100.00
24-Person Limit	120.00
32-Person Limit	160.00
64-Person Limit	285.00
72-Person Limit	335.00
<b>GROUP CAMP (Nightly, off season)</b>	
Group Assembly Area	40.00
8-Person Limit (Horse Camp)	25.00
12-Person Limit	45.00
16-Person Limit	50.00
24-Person Limit	55.00
32-Person Limit	60.00
64-Person Limit	135.00
72-Person Limit	160.00



<b>CAMANCHE RESERVOIR - NORTH SHORE AND SOUTH SHORE RECREATION AREAS (continued)</b>	<u>USE FEE</u>
<b>RV SITE</b>	
Nightly	47.50
Weekly	270.00
Monthly	500.00
Season (6-Month Max.)	1,850.00
6 night off-season use card (Off Season)	180.00
Premium Sites (Peak Season)	52.50
Premium Sites Weekly (Peak Season)	325.00
<b>TOWING</b>	
Camanche Recreation Area per hour	110.00
<b>MISCELLANEOUS</b>	
Camanche Recreation Area Lake Tours	14.00
Holding Tank Pumping	75.00
<b>COTTAGE/MOTEL GENERAL</b>	
Camanche Recreation Area – Security Deposit	200.00
Additional Guest Charge (to maximum occupancy)	15.00
<b>COTTAGE (4-Person Base)</b>	
May - Sept: Night	170.00
Week	800.00
Oct-March: Night	115.00
Week	570.00
Month	1,500.00
<b>COTTAGES (6-Person Base)</b>	
May-Sept: Night	215.00
Week	935.00
Oct-April: Night	150.00
Week	700.00
Month	1,250.00



**CAMANCHE RESERVOIR - NORTH SHORE  
AND SOUTH SHORE RECREATION AREAS  
(continued)**

USE FEE

**COTTAGES (10-Person Base)**

May-Sept:	Night	270.00
	Week	1,325.00
Oct-April:	Night	155.00
	Week	785.00
	Month	1,325.00

**MOTEL (TWIN)**

May-Sept:	Night	80.00
	Week	400.00
Oct-April:	Night	60.00
	Week	300.00
	Month	525.00

**MOTEL (KING)**

May-Sept:	Night	99.00
	Week	480.00
Oct-April:	Night	79.00
	Week	390.00
	Month	650.00

**MOBILE HOME (MONTHLY)**

2 bedroom	CY13 Rate + HUD FMR
3 bedroom	CY13Rate + HUD FMR
4 bedroom	CY13Rate + HUD FMR

**MOBILE HOME SPACES (MONTHLY)**

North Shore 1A	CY13 Rate + HUD FMR
North Shore 1B	CY13Rate + HUD FMR
North Shore 2	CY13Rate + HUD FMR
South Shore	CY13Rate + HUD FMR



**CAMANCHE RESERVOIR - NORTH SHORE  
AND SOUTH SHORE RECREATION AREAS  
(continued)**

USE FEE

**OTHER MOBILE HOME FEES (Per Space –  
Monthly)**

Guest Fee	75.00
Late Rent/Returned Check Fee	40.00

**FACILITY RENTAL**

Lakeside Hall Daily (hall only)	600.00
Lakeside Hall Daily (kitchen & serviceware included)	850.00
Lakeside Hall Cleaning and Equipment Deposit	1,000.00
Camanche Clubhouse Rental Daily	150.00
Camanche Clubhouse Rental	100.00

\*HUD FMR is the Housing and Urban Development Fair Market Rents Index which is published by HUD each October. The mobile home rental space rate will be adjusted annually based on the percent change in the HUD FMR index for 2-bedroom homes averaged for Amador and Calaveras Counties.



**Camanche Reservoir – North and South Shore Recreation Area Discounts, Special Programs, Limitations.**

Concessionaire Employees may receive free entrance and use of rental boats during off-hours, 20% discount on food and merchandise, and a camping discount equal to the car entrance fee. Limited to one free vehicle entry and one free boat rental per employee per day

Concessionaire and/or District may provide free entry and use of rental boats for disadvantaged groups (e.g. disabled, senior, youth, veteran), and for media to promote the recreation area.

Current Camanche Regional Park Advisory Board members and active field public safety personnel in Amador, Calaveras and San Joaquin County receive free day use entry.

Senior/Disabled/Former POW/Disabled Veterans – 50% Discount on annual entry and boat launch fees, and on non-weekend, non-holiday boat rentals. Senior rates are for individuals with a driver's license or ID showing age 62 or older.

Mobilehome Park Tenants-50% off non-holiday weekday boat rentals and additional 25% off for qualifying Senior/Disabled/Former POW/Disabled Veteran tenants. Special additional incentives for non-holiday Tuesday boat rentals. 40% discount on off-season monthly open slip, covered slip and mooring buoy fees. 10% discount on regularly priced marina/store items not including fishing access permits, fishing license, prepared food/beverage, gasoline and propane.

Groups of four or less individuals meeting the criteria for disabled discounts shall be eligible to rent the 6-person ADA cottages at Camanche for the 4-person cottage rate.

Turkey Hill Equestrian Campground single site customers renting larger spaces due to single sites being occupied shall be charged the lesser prorated rate.

Concessionaire or District can issue return coupons for free entry or camping for dissatisfied customers.

Groups participating in volunteer District facility improvement programs receive 50% discount on entry and camping fees.

Short-term visitor passes may be issued for periods up to one-hour.

Campsite charges include one vehicle entry, and RV site charges include a second/tow vehicle. Monthly and Seasonal RV Park fees include one vehicle entry, but do not include electricity charge. Electricity is metered and charged separately. Each of the daily charges, except the fishing access permit, shall be valid and effective for the calendar day upon which the charge was made, from one hour before sunrise until one hour after sunset.



**Camanche Reservoir – North and South Shore Recreation Area Discounts, Special Programs, Limitations (continued).**

Fishing access permits are valid until midnight of said day.

Each of the weekly charges shall be valid and effective for the calendar week in which the charge is made, terminating at 1:00 p.m. on the seventh consecutive day of said period. The seasonal charges noted for each recreation area shall be valid and effective for a period not exceeding 24 consecutive hours and terminating at 1:00 p.m. during said period.

Check out time for all RV sites in 1:00 p.m.

Peak Season is May 1 – September 30. Off-season is October 1 – April 30.

Premium Campsite or Premium RV site is a site that due to enhanced amenities, waterfront access or other special features is rented at a higher rate than a standard site.

Standard campsites may have a maximum of 8 people and 2 vehicles.

Short-term visitor passes may be issued for periods up to one-hour.



<b>LAFAYETTE RECREATION AREA</b>	<u>USE FEE</u>
<b>ENTRY AND PARKING - CAR/MOTORCYCLE/SMALL VAN</b>	
Daily	7.00
Annual (new; includes \$25 access card)	145.00
Annual (renewal, using existing access card)	120.00
Replacement access card (gate card)	25.00
Parking Meters ½ hour (may be increased up to a maximum rate of 0.75 per ½ hour prior to CY13)	.75
Senior/Disabled/Former POW/Disabled Veteran Season (new)	105.00
Senior/Disabled/Former POW/Disabled Veteran Season (renewal upon existing access card)	80.00
<b>ENTRY AND PARKING LARGE VANS AND BUSES</b>	
Large Vans - 10-20 Passengers	18.00
Buses – 21+ Passengers	33.00
<b>DOG</b> (no charge)	
<b>COMMERCIAL USES (in addition to the base fee noted below, the Director of Water and Natural Resources may set an additional fee to recover District’s direct costs plus overhead.)</b>	
Commercial Use	
Small (up to 10 people)	100.00
Medium (from 11 to 50 people)	500.00
Large (from 51 to 150 people)	1,000.00
<b>BOAT LAUNCH</b>	
Daily	4.00
Annual	50.00
Boat Inspection Fee	6.00
<b>FISHING ACCESS</b>	
Daily	5.00
<b>GROUP PICNIC</b>	
Small Site (Weekend/Holiday)	200.00
Small Site (Weekday/Non-Holiday)	100.00
Large Site (Weekend/Holiday)	350.00
Large Site (Weekday/Non-Holiday)	175.00
Special Events Fee	500.00
	+ \$1/ participant



**Lafayette Reservoir – Discounts, Special Programs, Limitations.**

District may provide free entry and use of rental boats for disadvantaged groups (e.g. disabled, senior, youth, veteran), and for media to promote the recreation area.

Senior/Disabled/Former POW/Disabled Veterans – 50% discount on boat launch fees and on non-weekend non-holiday boat rentals. Senior rates are for individuals with a drivers' license showing age 62 or older.





**SCHEDULE OF RATES AND CHARGES TO CUSTOMERS  
OF THE EAST BAY MUNICIPAL UTILITY DISTRICT**

<b>PARDEE RECREATION AREA</b>	<u><b>USE FEE</b></u>
<b>VEHICLE ENTRY AND PARKING - CAR/MOTORCYCLE/SMALL VAN</b>	
Daily/Nightly (Non-Camping)	9.00
Season	104.00
Combined Car/Boat Daily	15.00
<b>VEHICLE ENTRY AND PARKING LARGE VANS AND BUSES</b>	
Large Vans - 10-20 Passengers	20.00
Buses – 21+ Passengers	35.00
<b>DOG</b>	4.00
<b>STANDARD BOAT LAUNCH</b>	
Daily (Weekend included)	8.00
Season	90.00
<b>CARTOP BOAT LAUNCH (Float Tube, Kayak, Canoe, Scull)</b>	
Daily	4.00
Season	38.00
<b>BOAT MOORING</b>	
Monthly	120.00
Season	420.00
<b>BOAT SLIP (excl. park entry)</b>	
Daily	9.00
Weekly	43.50
Monthly	132.00
Season	660.00
Season (concurrent with season RV)	610.00
<b>FISHING ACCESS</b>	
Daily	5.00
Annual	130.00
<b>MISCELLANEOUS</b>	
RV/Campsite Reservation Fee	9.00



<b>PARDEE RECREATION AREA (continued)</b>	<u><b>USE FEE</b></u>
<b>STANDARD CAMPSITE (w/vehicle parking)</b>	
Nightly	24.00
Second Car Parking	12.00
Weekly	144.00
Second Car Parking	72.00
<b>PREMIUM CAMPSITE (w/vehicle parking)</b>	
Nightly	27.00
Weekly	162.00
<b>CAMPSITE (walk-in/bicycle parking)</b> (8 person/8 bike maximum)	
Nightly	18.00
Weekly	108.00
<b>DOUBLE CAMPSITE (16 people/ 2 vehicles)</b>	
Nightly	48.00
Third or Fourth Vehicle	12.00
<b>RV SITE</b>	
Nightly	32.00
Weekly	192.00
Monthly	430.00
Season	2,350.00
Season – Premium Site	2,650.00
<b>RV/TRAILER/BOAT STORAGE (Excl. park entry)</b>	
Weekly	26.00
Monthly	60.00
Season	480.00
Season – concurrent with season RV Site	430.00
<b>TOWING</b>	80.00
<b>RESERVABLE SITE/FACILITY (charges in addition to above fees)</b>	
Small (25 or less persons)	50.00
Medium (26-100 persons)	75.00
Large (101-150 persons)	100.00
Over 150 persons	200.00
Café/Pool Day Use Area (refundable deposit)	50.00



**PARDEE RESERVOIR - DISCOUNTS, SPECIAL PROGRAMS, LIMITATIONS.**

Concessionaire Employees may receive free entrance and use of rental boats during off-season hours, 20% discount on food and merchandise, and a camping discount equal to the car entrance fee. Limited to one free vehicle entry and one free boat rental per employee per day.

Concessionaire and/or District may provide free entry and use of rental boats for disadvantaged groups (e.g. disabled, senior, youth, veteran), and for media to promote the recreation area.

Current Camanche Regional Park Advisory Board members and active field public safety personnel in Amador, Calaveras and San Joaquin County receive free day use entry.

Senior/Disabled/Former POW/Disabled Veterans – 50% Discount on annual entry and boat launch fees, and on non-weekend, non-holiday boat rentals. Senior rates are for individuals with a driver's license or ID showing age 62 or older.

Concessionaire or District can issue return coupons for free entry or camping for dissatisfied customers.

Groups participating in volunteer District facility improvement programs receive 50% discount on entry and camping fees.

Campsite charges include one vehicle entry, and RV site charges include a second/tow vehicle.

Monthly and Seasonal RV Park fees include one vehicle entry, but do not include electricity charge. Electricity is metered and charged separately.

Each of the daily charges, except the fishing access permit, shall be valid and effective for the calendar day upon which the charge was made, from one hour before sunrise until one hour after sunset. Fishing access permits are valid until midnight of said day.

Each of the weekly charges shall be valid and effective for the calendar week in which the charge is made, terminating at 1:00 p.m. on the seventh consecutive day of said period.

Each of the nightly charges shall be valid and effective for a period not exceeding 24 consecutive hours and terminating at 1:00 p.m. during said period.

Premium Campsite or Premium RV site is a site that, due to enhanced amenities, waterfront access or other special features, is rented at a higher rate than a standard site.

Standard campsites may have a maximum of 8 people and 2 vehicles.

Short-term visitor passes may be issued for periods of up to one hour.



<b>SAN PABLO RECREATION AREA</b>	<u>USE FEE</u>
<b>ENTRY AND PARKING – CAR/MOTORCYCLE/SMALL VAN</b>	
Daily	7.00
Daily (Special Events)	4.50
Season	103.00
3-Month Season	34.00
<b>ENTRY AND PARKING LARGE VANS AND BUSES</b>	
Large Vans - 10-20 Passengers	22.00
Buses – 21+ Passengers	40.00
<b>DOG</b>	3.50
<b>COMMERCIAL USE (in addition to the base fee noted below, the Director of Water and Natural Resources may set an additional fee to recover District’s direct costs plus overhead.)</b>	
Small (up to 10 people)	120.00
Medium (11 to 50 people)	600.00
Large (51 to 150 people)	1,200.00
<b>STANDARD BOAT LAUNCH</b>	
Daily	7.50
Season (Entry & Boat Launch)	163.00
3-Month Season (Entry & Boat)	62.00
Boat Inspection Fee	6.00
<b>CARTOP BOAT LAUNCH (Float Tube, Kayak, Canoe, Scull)</b>	
Daily	4.00
Season (Entry and Cartop Launch)	124.00
3-Month Season (Entry & Cartop Launch)	41.00
<b>FISHING ACCESS</b>	
Daily	5.00
<b>GROUP PICNIC</b>	
Large Sites (Oaks & Pine) daily	260.00
<b>GAZEBO</b>	60.00
<b>TOWING</b>	65.00



<b>SAN PABLO RECREATION AREA</b>	<u>USE FEE</u>
<b>(continued)</b>	
<b>VISITOR CENTER &amp; DECK RENTAL</b>	
WEEKDAY EVENING VISITOR CENTER & DECK (Minimum charge for up to 3 hours)	250.00
Extra hours	70.00
WEEKEND EVENING VISITOR CENTER & DECK (Minimum charge for up to 5 hours)	400.00
Extra hours	70.00
Evening Event Cleaning and Damage Deposit	
Events ending before 7:00 pm	150.00
Events ending after 7:00 pm	350.00
<b>WEEKDAY VISITOR CENTER &amp; DECK</b>	200.00
<b>(8:00am-4:00pm)</b>	
2 consecutive days	350.00
3 consecutive days	500.00
Daytime Event Cleaning and Damage Deposit	125.00



**SAN PABLO RESERVOIR – Discounts, Special Programs, Limitations.**

Concessionaire employees may receive free entrance and use of rental boats during off-hours, and 20% discount on food and merchandise. Discount is limited to one free vehicle entry and one free boat rental per employee per day. To qualify, a concession employee must work a minimum of 20 hours per week, Sunday through Saturday.

Concessionaire and/or District may provide free entry and use of rental boats for disadvantaged groups (e.g. disabled, senior, youth, veteran), and for media to promote the recreation area.

Concessionaire or District can issue return coupons for free entry or camping for dissatisfied customers.

Each of the daily charges, including the fishing access permit, shall be valid and effective for the calendar day upon which the charge was made, from the time the park opens until it closes each day.

Groups participating in volunteer District facility improvement programs receive 50% discount on entry fees.

Senior/Disabled/Former POW/Disabled Veterans – 50% Discount on annual, 6-month and 3-month entry and boat launch fees, and on non-weekend, non-holiday boat rentals. Senior rates are for individuals with a driver's license or ID showing age 62 or older.

Unless determined otherwise, the recreation season is mid-February through October (dates selected by concessionaire with District approval).



**SCHEDULE OF RATES AND CHARGES TO CUSTOMERS  
OF THE EAST BAY MUNICIPAL UTILITY DISTRICT**

PAGE NUMBER 21

EFFECTIVE 01/01/14

**WATERSHED TRAIL SYSTEM**

USE FEE

**WATERSHED TRAILS**

Daily Permit	2.50
Annual Permit	10.00
Three-Year Permit	20.00
Five-Year Permit	30.00

