

Biennial Budget

Fiscal Years 2016 & 2017

District Overview

Water System Budget

Wastewater System Budget



*East Bay Municipal Utility District
Oakland, California*

Photos on cover:

EBMUD crew replacing 16-inch diameter pipeline (left photo)

Camanche Reservoir, EBMUD's largest reservoir, is at its lowest level since 1989 (upper right)

SD-1 Wastewater Treatment Plant looking west (lower right)

FY2016 and FY2017

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 9, 2015*

East Bay Municipal Utility District

**EAST BAY MUNICIPAL UTILITY DISTRICT
BIENNIAL BUDGET FY16 & FY17
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EAST BAY MUNICIPAL UTILITY DISTRICT

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SUPPLEMENTAL VOLUME

Capital Project Summaries

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July 1, 2015

Honorable Members of the Board of Directors:

I am pleased to present the adopted budget for Fiscal Years 2016 and 2017. The budget firmly focuses on investments that will best position EBMUD to deliver the high quality services and environmental protections for future generations that we proudly provide today. It continues investments in the infrastructure necessary to deliver water and treat waste streams. It acknowledges that we have made very limited investments in information technology over the past decade and that smart investments in those systems will make our data safer from cyber threats, our workers more productive, our purchasing decisions more cost-effective, our analytical assessments more robust and our facilities safer and more efficient. The budget also sets a new course for drought response by establishing both a new drought rate structure and a new drought response contingency fund that will be implemented based on the severity of drought. These investments in infrastructure, information technology and drought management, coupled with up-to-date adjustments to revenue estimates and changes that reflect both new cost of service data and a proposal to sunset the seismic improvement program charge, will ensure a stronger, more stable long-term financial future for EBMUD.

The budget controls overall spending and the FY16-17 rate increases and customer bill impacts (excluding drought surcharges) are consistent with the five-year budget projections in the last biennial budget. The average single family residential bill for water increases \$3.57/month in FY16 and \$3.66/month in FY17. The average single family residential bill for wastewater treatment, which is collected on the water bill, decreases \$0.24/month in FY16 and increases \$0.92/month in FY17. Bill impacts for a range of use levels and customer classes are presented in the attachment to this message. The anticipated bill impacts assume average water use without the 12 percent conservation that our customers achieved in calendar 2014 compared to calendar 2013, and they do not assume customer achievement of a drought conservation target in FY16-17; customers who conserve will see smaller increases on their bills. The rate increases for FY16 are 8 percent for the water system and 5 percent for the wastewater system, and for FY17 are 7 percent for the water system and 5 percent for the wastewater system. With the increases, EBMUD rates will remain similar to rates for comparable northern California water agencies.

The budget adopted two years ago aimed at ensuring continued delivery of high quality water and wastewater services and securing long-term organizational and financial sustainability. It allocated significant resources to investing in aging infrastructure, enhancing maintenance practices and improving customer service. With the resources from that budget, our employees advanced each of the Board's strategic plan focus areas. We invested in preventative maintenance, began planning for the ambitious long-term goal of quadrupling the rate of distribution pipeline replacement, completed master plans for several major infrastructure asset classes, upgraded our Customer Information System software, successfully delivered supplemental dry year water supplies into the service area for the first time, progressed on renewing the Camanche Permit, signed a wet weather consent decree, conducted a year-long series of public workshops on long-term financial stability, addressed cost of service and drought surcharges, refinanced and restructured the debt portfolio for significant long-term debt service savings, and completed a comprehensive organizational values assessment to address the organizational challenges presented by the retirement eligibility of 50 percent of the workforce. The FY16-17 budget builds on these successes.

GENERAL MANAGER'S ADOPTED BUDGET HIGHLIGHTS

Make Sustained Reinvestments in Aging Physical Infrastructure

EBMUD operates and maintains a vast network of physical infrastructure to deliver services to customers. Reaching from the Sierra Nevada foothills to San Francisco Bay, this network has an estimated replacement cost exceeding \$14.4 billion. Maintaining high-quality service requires ongoing reinvestment in reservoirs, aqueducts, pump stations, distribution pipelines, sewer interceptors, treatment plants, power stations and buildings. EBMUD is in an era requiring continuing increases in infrastructure funding, and as we conduct condition assessments we learn more about the need for sustained additional funding. The budget was developed after analyzing a portfolio of capital investments and determining the highest priority projects based on safety, regulatory compliance, reliability and cost-effectiveness.

This budget reflects another significant increase in capital investments to replace aging assets. From 2016 to 2020, infrastructure investments will grow about six percent annually, from \$263 million to \$336 million. The two-year Capital Improvement Program (CIP) cash flow for both Water and Wastewater is \$536 million, a 20 percent increase over the prior two-year budget. The five-year CIP cash flow for both Water and Wastewater is \$1.544 billion, a 30 percent increase over the prior budget. Overall, 50 additional positions are being funded to advance infrastructure replacement efforts.

A significant share of these funds are earmarked for increasing the annual replacement rate of water distribution pipeline from the projected 10 miles per year in the FY14-15 budget to 15 miles per year over the next five years. Key short-term objectives include replacing high-priority asbestos-cement (AC) pipe segments and determining effective and efficient ways to achieve program goals. This budget assumes 27 new and 9 existing staff positions will support distribution pipeline replacement work, including 2 pipeline crews, 1 paving crew, additional plumbers and 7 engineering-related positions.

Wastewater program infrastructure initiatives in this budget focus on implementing the wet weather consent decree, improving odor control at the main wastewater treatment plant and expanding the resource recovery program. As required under the consent decree, nearly \$10 million will be invested in EBMUD wastewater infrastructure and approximately \$8 million will be spent to address others' infrastructure issues: helping find regional inflow and infiltration sources in local sewer systems and monitoring customer repairs to private sewer laterals. To control plant odors, \$14 million in capital investments will be made. In FY16, staff will be working to complete agreements with the City of Oakland on accepting food waste as part of the resource recovery program. If successful, investments are planned in pre-processing and dedicated digesters.

Invest in Critical Information Technology Infrastructure

District infrastructure includes more than concrete and steel. Following the global recession EBMUD contained costs by deferring information technology (IT) investments. While effective in the short

term, this strategy is not sustainable. Much of our IT infrastructure is beyond its useful life and we are experiencing decreased reliability in several key systems. The investments in upgrading our customer information system are paying dividends but other enterprise systems (materials management, financial information and human resources) are decades old. Their outdated business processes hamper efficiency, their repairs are increasingly expensive, and their vulnerability to cyber threats is a growing concern. High profile breaches worldwide highlight the critical importance of investing in IT security. In addition to IT infrastructure, the budget also reflects that IT service costs are rising. For several years market forces favored customers, but now vendor fees are reflecting the improved economy via higher software licensing and other IT service costs.

The budget reflects all these dynamics, but also reflects careful consideration of costs. The senior management team spent hundreds of hours over the past year specifying service levels by department and establishing District-wide priorities for IT services. They narrowed a list of more than 200 cost-effective projects to a priority list of 23 projects for the next two years. Server infrastructure replacement and maintenance was identified as an investment priority. This budget establishes an equipment replacement fund for server infrastructure and dedicates \$4.4 million over the two years to seed the fund to upgrade the server fleet. Three positions are funded to address the significant backlog in server maintenance. The District recently completed a third-party vulnerability assessment of the District's control system network and the budget funds 3 additional positions to address the most important findings. Finally, the budget contains additional funding of \$4.2 million and \$5.0 million for software licenses and communications services for FY16 and FY17, respectively.

Manage Impacts of Extended Drought

The state is experiencing a fourth year of below average precipitation. Wisely, the District has invested heavily in water conservation, supply diversification and the development of infrastructure to take supplemental dry year supplies. The Board's progressive drought response calls for increased conservation and the purchase of supplemental water. Drought's financial impact is significant and includes the direct cost of purchasing and treating supplemental water, more expensive overall water system operations, reduced revenues from hydroelectric generation, investments in drought-related customer outreach and the impact of reduced revenues from water sales. After an extensive public development and vetting process, the Board adopted a staged system to serve as a framework for drought surcharges. This is the first General Manager's budget to contain drought-related appropriations and a system of drought surcharges that may be used in this or future droughts.

Additional Drought-Related Costs—For the first time, the District's biennial budget includes a drought contingency appropriation. The two-year \$126.3 million appropriation includes funding for purchasing, treating and delivering supplemental supplies and preparing and delivering additional customer outreach. Funds include the hire of more than a dozen limited-term employees to respond to water waste reports, perform water use surveys, answer customer calls and perform high bill inspections during a Stage 3 or Stage 4 drought. The contingency approach enables staff to work with the Board to tailor the drought response to the specific circumstances of that year.

Drought Surcharges—Adopted at a conceptual level in December 2014, the staged system includes rates to recover a portion of estimated drought costs and acknowledgement of customer efforts to encourage water use efficiency. The system includes three elements: 1) a staged system of increasing drought surcharges on volume, 2) supersaver recognition, and 3) an excessive use penalty. The first element applies to all customer classes, excluding recycled water customers. The second and third elements apply only to single family residential customers. Drought surcharges on volume use of up to 8 percent, 20 percent and 25 percent would be levied for drought Stages 2, 3 and 4, respectively. In Stages 3 and 4, single family residential customers who reduce consumption to levels set by the Board would be recognized for their efforts. In Stage 3, those customers who use above 60 units/month would be subject to an excessive use penalty of \$2/unit for water. In Stage 4, the \$2/unit penalty would apply to water use above 40 units/month.

Provide for Long-Term Financial Stability

Over the past year the Board conducted 10 public workshops covering topics related to long-term financial stability. This work included the evaluation of capital financing and reserve policies, the review of drought financial management issues, the development of the staged system of drought surcharges described above, the acceptance of findings and recommendations from two cost of service studies, and the review of long-term forecasts of rates and charges. The workshop findings, input and direction form the basis of this budget and rate and charge adjustments.

The budget is based on prudent assumptions for water sales and meeting financial metrics (CIP cash funding, debt service coverage) consistent with the Board’s adopted policies and the District’s existing credit ratings. Reflecting calls for customer conservation, the base budget assumes reduced billed consumption. Prior budget estimates of billed water consumption for FY15, FY16 and FY17 were 166 MGD, 169 MGD and 172 MGD, respectively. The budget estimates 151 MGD for both FY16 and FY17, a drop of 11 percent and 12 percent, respectively. For a sense of perspective this volume is 25 percent below the peak consumption level of just over 200 MGD in 2007.

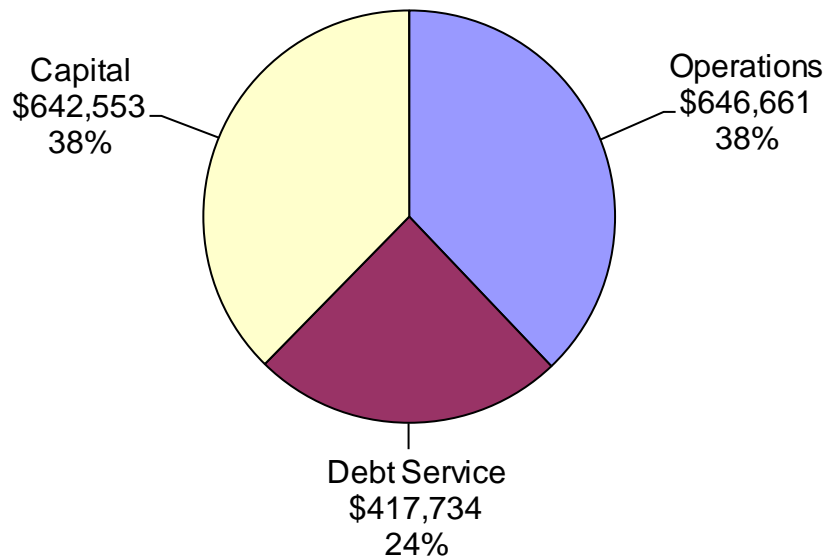
ADOPTED BUDGET OVERVIEW

The charts on the following page summarize the General Manager’s budget for FY16-17. The District-wide total appropriation is \$1.83 billion. Of that amount, \$1.71 billion is for water system and wastewater system operations, debt service and capital appropriations. The remaining \$126.3 million is for drought contingency. Throughout this document, the drought contingency is excluded in year-over-year comparative analyses.

The Water and Wastewater System budget is \$1.71 billion, a 17 percent increase over the previous two-year adopted budget that includes appropriations for operations (38 percent), debt service (24 percent), and the capital budget (38 percent) for both the water and wastewater enterprises.

COMPARISON OF FY15, FY16, AND FY17 BUDGETS					
(\$ Thousands)					
	FY15 Amended Budget	FY16 Adopted Budget	% Change FY16 v. FY15	FY17 Adopted Budget	% Change FY17 v. FY16
Water System					
Operations	247,517	248,264	0.3%	262,232	5.6%
Debt Service	163,213	169,894	4.1%	180,191	6.1%
Capital Appropriation	<u>185,022</u>	<u>249,042</u>	34.6%	<u>290,392</u>	16.6%
Total	595,752	667,200	12.0%	732,815	9.8%
Wastewater System					
Operations	63,358	65,448	3.3%	70,717	8.1%
Debt Service	34,307	33,693	-1.8%	33,956	0.8%
Capital Appropriation	<u>46,814</u>	<u>70,536</u>	50.7%	<u>32,583</u>	-53.8%
Total	144,479	169,677	17.4%	137,256	-19.1%
District					
Operations	310,875	313,712	0.9%	332,949	6.1%
Debt Service	197,520	203,587	3.1%	214,147	5.2%
Capital Appropriation	<u>231,836</u>	<u>319,578</u>	37.8%	<u>322,975</u>	1.1%
District-wide Total	740,231	836,877	13.1%	870,071	4.0%
Drought Contingency		<u>64,206</u>		<u>62,078</u>	
Grand Total	740,231	901,083		932,149	

**District Water and Wastewater Budgets
 FY16 and FY17**
 (\$ Thousands)



Water System The total two-year budget is \$1.4 billion. In FY16, the budget is \$667.2 million, or \$71.4 million (12.0 percent) greater than the FY15 amended budget. In FY17, the total budget is \$732.8 million, or \$65.6 million or 9.8 percent greater than FY16. In both fiscal years, more than half of the budget increase is related to the capital improvement program.

Of the increase in FY16, \$0.7 million is due to increased operations costs, \$6.7 million to debt service, and \$64.0 million to capital appropriation. As detailed in Chapter 2, an additional 72 positions are funded in FY16. The FY16 operating budget impact of these additions is mitigated by several factors. Most new positions are funded in the capital budget and total labor costs reflect a reduction in fringe benefits costs and an increased vacancy rate due to projected retirements. The operations non-labor budget increase of \$4.0 million is driven by anticipated increases in costs to buy chemicals, operate our fleet, replace telecommunications equipment and computer hardware and software and make disbursements to outside agencies. These rising expenses are partially offset by an anticipated reduction in energy usage due to the lower water sales volume projected and a decrease in fees/licenses. Debt service in FY16 will increase \$6.7 million due to the debt restructuring in the FY14-15 budget and the issuance of new bonds for the capital improvement program, mitigated by debt service savings from debt refinancing. The FY16 capital appropriation increase of \$64.0 million will fund work such as: increasing the number of pipeline miles replaced; rehabilitating aqueducts, treatment plants, pumping plants and other infrastructure; rehabilitating reservoirs; and replacing critical technology infrastructure such as financial and work management systems.

The FY17 \$65.6 million increase reflects \$14.0 million for operations, \$10.3 million for debt service and \$41.3 million for the capital appropriation. Of the FY17 operations budget total increase, \$11.4 million is attributable to labor costs and \$2.6 million is driven by non-labor expenses. The total labor budget increase is primarily due to scheduled salary step increases, a cost of living adjustment, and projected increases in both the employer pension contribution rate and health care costs. The higher non-labor cost of \$2.6 million is primarily due to fleet vehicle expenses, Board election fees, and other operating costs such as energy, chemicals, telecommunications, laboratory services, spoils/sludge disposal and property insurance. Debt service will increase \$10.3 million due to the issuance of new bonds to fund the capital plan. The \$41.3 million increase in capital appropriation will fund pipeline replacements and the rehabilitation of reservoirs and reservoir towers.

Wastewater System The total two-year budget is \$306.9 million. In FY16, the budget is \$169.7 million, or \$25.2 million (17.4 percent) greater than the FY15 amended budget. In FY17, the total budget is \$137.3 million, or \$32.4 million or 19.1 percent less than FY16.

The total FY16 budget increase of \$25.2 million is attributable to \$2.1 million for operations, a decrease of \$0.6 million in debt service and a \$23.7 million increase in the capital appropriation. As detailed in Chapter 2, an additional 9 positions are funded in FY16. Similar to the Water System, the impact is mitigated by offsetting factors. The operations non-labor budget will increase \$1.4 million to account for contract work to support infiltration and inflow investigations in community sewer

systems, and carbon for the power generation station gas conditioning system. Debt service expenses in FY16 will be \$0.6 million less than the prior fiscal year due to recent refinancing. A \$23.7 million increase in the capital appropriation will fund improvements to the infrastructure at the main wastewater treatment plant, and the rehabilitation of various sewer interceptors.

The total FY17 budget is \$32.4 million or 19.1 percent lower compared to FY16. Of this decrease, the operations budget will increase \$5.3 million, debt service will increase \$0.3 million, but the capital appropriation will decrease \$38.0 million. The operations budget includes an increase of \$2.0 million for labor and \$3.3 million for non-labor expenses. The total labor budget increase is driven by scheduled step increases, a cost of living adjustment, projected increases in both the employer pension contribution rate and health care costs and the funding of an inspector position. Total non-labor costs will increase primarily due to work to support inflow and infiltration investigations in community sewer systems, chemical costs for increased food waste processing and odor control, and increased sludge hauling costs. Debt service will increase slightly by \$0.3 million driven by the issuance of new bonds. The \$38.0 million decrease in the capital appropriation is the result of large multi-year capital projects being fully appropriated in FY16.

Five-Year Capital Improvement Program Budget

The FY16-20 combined Water and Wastewater System Capital Improvement Program (CIP) includes \$1.78 billion of appropriations. Of this total, the Board of Directors approved the first two-years or \$643 million.

The following discussion focuses on the CIP cash flows as they establish the fiscal years' project spending and are a significant component of the adopted rates. The FY16-20 combined Water and Wastewater System CIP planned cash flow spending will increase by 30 percent over the five year span, from \$263 million in FY16 to \$336 million in FY20.

Water System Top Programs EBMUD is continuing its focus on investments in infrastructure rehabilitation, repair and replacement. The following table shows the major Water System capital programs and the projected cash flow spending. The largest program spending over the next five years is for Pipelines, Regulators and Appurtenances which includes \$63 million for expanded investments in the annual rate of infrastructure replacement, in a pilot study to research ways to make the pipeline work process more efficient, and in creating a long-term plan to increase the replacement rate to 40 miles per year. The Raw Water Aqueduct Improvements program is the second largest area of spending and includes \$83 million for the Mokelumne Aqueduct Relining project, which replaces the deteriorated cement lining that protects the steel pipeline from corrosion. The Water Recycling program includes \$69 million for the expansion of the North Richmond Water Recycling Plant by 1 MGD. The plant serves the Chevron refinery in Richmond. Construction is planned to begin in FY18 and the cost of this expansion will be borne by Chevron through reimbursements paid to the District.

Water System Major Capital Programs	
Five-Year CIP	
(\$ Millions)	
Programs	FY16-FY20 Cash Flow
Pipelines, Regulators and Appurtenances	429
Raw Water Aqueduct Improvements	153
Water Recycling	141
Pressure Zone Improvements	135
Reservoir Rehabilitation	100
Water Treatment and Transmission	92
Pumping Plant Rehabilitation	75

Wastewater System Top Projects The following table shows the continued focus on maintaining our strong record of complying with permit requirements at the main wastewater treatment plant. In addition to ongoing sewer interceptor rehabilitation work, \$14 million will be spent to expand the Resource Recovery program such as construction of new facilities to support food waste processing. The Odor Control Improvement project has a planned cash flow of \$19 million over the next five years to improve the air quality in communities along the collection system and at the main wastewater treatment plant. One such upgrade includes installing an odor monitoring system to improve real-time control and reduce off-site odor potential.

Wastewater System Major Capital Projects	
Five-Year CIP	
(\$ Millions)	
Projects	FY16-FY20 Cash Flow
3 rd Street Sewer Interceptor Rehabilitation	32
Odor Control Improvements	19
Treatment Plant Infrastructure	19
Concrete Rehabilitation	15
Resource Recovery	14
Digester Upgrades	12
Wood Street Sewer Interceptor Rehabilitation	12

CUSTOMER BILL IMPACTS

No increase in costs for essential services is welcome. But as a community, our quality of life depends on reliable, environmentally-sound water and wastewater services. As part of continuing efforts to enhance transparency, a new feature of this message is an attachment with additional detail on bill impacts of the adopted charges. In this message, a summary of bill impacts for the average single family residential user is shown. The attachment provides detailed information for a wider range of use levels than has been presented in the past.

Bill Impacts Excluding Drought Surcharges Customer bill impacts for FY16 reflect the findings and recommendations of recent cost of service studies that allocate costs among customer classes based on usage characteristics. State law requires basing rates and charges on cost of service.

- An average single family residential customer uses 10 centum cubic feet (CCF)/month or 246 gallons per day (gpd), not accounting for drought cutbacks in use. This customer's monthly water charges would increase \$3.57 in FY16 and an additional \$3.66 in FY17.
- An average single family residential customer discharges 6 CCF/month to the sewer system. This customer's wastewater treatment charges collected on the water bill would decrease slightly by \$0.24 in FY16 and increase by \$0.92 in FY17.
- An average single family residential customer receiving both EBMUD water and wastewater treatment services would see a combined monthly increase of \$3.33 in FY16 and an additional \$4.58 in FY17.
- Beginning in FY16 the wastewater wet weather fee, collected on the property tax bill, will be based on a customer's property size. For most single family residential (SFR) customers the annual wastewater wet weather fee will increase slightly by \$0.28 in FY16 and by an additional \$4.48 in FY17. For single family residential customers with the largest properties, over 10,000 square feet, the annual increase over FY15 would be \$230.66 in FY16 and an additional \$16.00 in FY17.

Bill Impacts Including Drought Surcharges Given current drought conditions, a drought surcharge on volume use will be effective in FY16. Customers who cut water use in response to requests for conservation will see lower increases on their bills than presented below.

- In Stage 2, the average 10 CCF/month single family customer who does not cut back their water use would pay a drought surcharge of \$2.54 per month. Including the adopted base rate increase, this would bring the total increase to \$6.11 per month over their current bill (12.6 percent increase) for FY16 starting in July 2015. In FY17 the Stage 2 drought surcharge for this user increases from \$2.54 per month to \$2.74 per month.
- In Stage 3, the average 10 CCF/month single family customer who does not cut back their water use would pay a drought surcharge of \$6.50 per month. Including the adopted base rate increase, this would bring the total increase to \$10.07 per month over their current bill (20.7 percent increase) for FY16 starting in July 2015. In FY17 the Stage 3 drought surcharge for this user increases from \$6.50 per month to \$6.99 per month.
- In Stage 4, the average 10 CCF/month single family customer who does not cut back their water use would pay a drought surcharge of \$8.08 per month. Including the adopted base rate increase, this would bring the total increase to \$11.65 per month over their current bill (24.0 percent increase) for FY16 starting in July 2015. In FY17 the Stage 4 drought surcharge for this user increases from \$8.08 per month to \$8.74 per month.

USING THE BUDGET DOCUMENT

EBMUD's FY 16-17 biennial budget is comprised of two volumes. This volume contains all of the key biennial budget information for both the Water and 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

The FY16 and FY17 budget continues our commitment to providing high quality, reliable water and wastewater services for our customers. We will closely monitor our costs and continue to look for opportunities to maximize efficiency and productivity. We will also look for ways to restructure the workload, leveraging technology, 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 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,

ALEXANDER R. COATE
General Manager

ARC:ELS

Attachment

In order to enhance transparency, we are providing this attachment to the Budget Message. The tables contain additional detail on bill impacts of the adopted changes to rates and charges, addressing three categories of rate changes: water charge bill impacts, wastewater charge bill impacts, and drought surcharge impacts. The tables present FY16-17 water and wastewater service costs. To better demonstrate the full impacts of rate changes, they cover a range of customer classes and use levels.

Water Charge Bill: Monthly Impacts

Two tables are presented in this section: **Single Family Residential Water Charges on Water Bill** and **Multi-Family Residential and Non-Residential Water Charges on Water Bill**.

The table entitled **Single Family Residential Water Charges on Water Bill** addresses a broad cross-section of single family residential users which represent the majority of District accounts. The impact of adopted rate increases is illustrated for users ranging from 4 CCF (25th percentile) to 30 CCF (95th percentile) per month. The impact is also provided for both the median single family user of 7 CCF and the historical average 10 CCF single family residential user. The tables present monthly impacts for ease of use, although residential single family customers receive bills covering two month periods.

Multi-Family Residential and Non-Residential Water Charges on Water Bill demonstrates the impact on adopted rate increases for two multi-family residential users: one with 4 units at 25 CCF monthly use, and one with 5+ units at 50 CCF monthly use. Information is also included for sample commercial users at 50 CCF/month and industrial users at 500 CCF/month.

Wastewater Treatment Charge Bill: Monthly Impacts and Wastewater Wet Weather Facilities Charge: Annual Impacts

The District's wastewater customers' charges appear in two separate places, their water bill and their property tax bill. The two tables presented in this section, **Wastewater Charges on Water Bill** and **Wet Weather Facilities Charge on Property Tax Bill**, address each of these bills.

Wastewater charges are based on volume, but are capped at the charge levied on a discharge of 9 CCF/month. The table entitled **Wastewater Charges on Water Bill** shows bill impacts for both an average single family residential user discharging 6 CCF/month and a single family residential user discharging at the maximum, capped amount. In addition, impacts are shown for two multi-family residential users: one with 4 units at 25 CCF/month, and one with 5+ units at 50 CCF/month. Information is also included for sample commercial users at 50 CCF/month and industrial users at 500 CCF/month.

The table entitled **Wet Weather Facilities Charge on Property Tax Bill** shows updated wet weather facilities charges. This table illustrates the change to a charge based on property size.

Drought Surcharge: Monthly Impacts

The District's drought surcharges are new. These surcharges on volume are in a staged system reflecting the severity of the drought: Stage 1 is the least and Stage 4 the most severe. The drought surcharges vary with each stage. The three tables in this section represent the full impact of the drought surcharge on various levels of residential use. The three tables presented are **Stage 2, Stage 3 and Stage 4 - Single Family Residential Water Charges and Drought Surcharges on Water Bill**.

There is no surcharge imposed at Stage 1; the tables illustrate the drought surcharge bill impacts at drought Stages 2, 3 and 4. The impact of rate increases is illustrated for users ranging from 4 CCF (25th percentile) to 30 CCF (95th percentile) per month. The impact is also provided for both the median single family user of 7 CCF and the historical average 10 CCF single family residential user. As with the water charge tables, these tables present monthly impacts for ease of use, although residential single family customers receive bills covering two month periods. The drought surcharge impacts are shown for users who do not cut their water use in response to District requests for conservation. To date, District customers have conserved 12 percent over 2013 use levels, so the current average use and thus the corresponding charge would be below the levels set forth in the tables.

Water Charge Bill: Monthly Impacts

Single Family Residential Water Charges on Water Bill								
	Single Family Residential Use (CCF)	FY15 Bill	FY16 Bill	Increase from FY15	Percent Change	FY17 Bill	Increase from FY16	Percent Change
25 th Percentile	4	\$29.07	\$31.14	\$2.07	7.1%	\$33.33	\$2.19	7.0%
50 th Percentile (median use)	7	\$37.80	\$39.99	\$2.19	5.8%	\$42.81	\$2.82	7.1%
75 th Percentile	12	\$55.80	\$60.29	\$4.49	8.0%	\$64.51	\$4.22	7.0%
95 th Percentile	30	\$132.08	\$151.57	\$19.49	14.8%	\$162.23	\$10.66	7.0%
Average Single Family Residential Use*	10	\$48.60	\$52.17	\$3.57	7.3%	\$55.83	\$3.66	7.0%

*10 CCF/month represents historical average single-family residential use. In response to calls for conservation, District customers have conserved 12 percent over 2013 use levels to date so the average use is currently below 10 units per month.

Multi-Family Residential and Non-Residential Water Charges on Water Bill									
	Meter (Inches)	Use (CCF)	FY15 Bill	FY16 Bill	Increase from FY15	Percent Change	FY17 Bill	Increase from FY16	Percent Change
Multi-Family Residential 4 units	1	25	\$125.54	\$133.45	\$7.91	6.3%	\$142.74	\$9.29	7.0%
Multi-Family Residential 5+ units	1	50	\$217.54	\$237.70	\$20.16	9.3%	\$254.24	\$16.54	7.0%
Commercial	1	50	\$225.08	\$236.70	\$11.62	5.2%	\$253.24	\$16.54	7.0%
Industrial	2	500	\$2,046.68	\$2,158.48	\$111.80	5.5%	\$2,309.32	\$150.84	7.0%

Wastewater Treatment Charge Bill: Monthly Impacts

Wastewater Charges on Water Bill									
	Meter (Inches)	Use (CCF)	FY15 Bill	FY16 Bill	Increase from FY15	Percent Change	FY17 Bill	Increase from FY16	Percent Change
Single Family Residential	5/8	6	\$19.25	\$19.01	-\$0.24	-1.3%	\$19.93	\$0.92	4.8%
Single Family Residential	5/8	9	\$21.61	\$22.13	\$0.52	2.4%	\$23.20	\$1.07	4.8%
Multi-Family Residential 4 units	1	25	\$56.41	\$61.21	\$4.81	8.5%	\$64.16	\$2.95	4.8%
Multi-Family Residential 5+ units	1	50	\$101.13	\$124.29	\$23.16	22.9%	\$130.55	\$6.26	5%
Commercial	1	50	\$105.61	\$128.77	\$23.16	21.9%	\$135.03	\$6.26	4.9%
Industrial	2	500	\$6557.61	\$6915.77	\$358.16	5.5%	\$7261.03	\$345.26	5.0%

Wastewater Wet Weather Facilities Charge: Annual Impacts

Wet Weather Facilities Charge on Property Tax Bill							
	FY15	FY16 Small Lot 0-5,000 sq ft	FY16 Med Lot 5,001 – 10,000 sq ft	FY16 Large Lot >10,000 sq ft	FY17 Small Lot 0-5,000 sq ft	FY17 Med Lot 5,001 – 10,000 sq ft	FY17 Large Lot >10,000 sq ft
Single Family Residential	\$89.34	\$89.62	\$140.00	\$320.00	\$94.10	\$147.00	\$336.00
Multi-Family Residential 2 units	\$178.68						
Multi-Family Residential 4 units	\$357.36						
Multi-Family Residential 5+ units	\$446.70						
Commercial	\$134.00						
Industrial	\$134.00						
Parcels with Multiple Accounts	\$223 to \$670 +						

Drought Surcharge: Monthly Impacts

Stage 2 - Single Family Residential Water Charges and Drought Surcharges on Water Bill									Impact of Surcharge	
	Single Family Residential Use (CCF)	FY15 Bill	FY16 Bill *	Increase from FY15	Percent Change	FY17 Bill *	Increase from FY16	Percent Change	FY16	FY17
25 th Percentile	4	\$29.07	\$32.06	\$2.99	10.3%	\$34.33	\$2.27	7.1%	\$0.92	\$1.00
50 th Percentile (median use)	7	\$37.80	\$41.60	\$3.80	10.1%	\$44.56	\$2.96	7.1%	\$1.61	\$1.75
75 th Percentile	12	\$55.80	\$63.45	\$7.65	13.7%	\$67.91	\$4.46	7.0%	\$3.16	\$3.40
95 th Percentile	30	\$132.08	\$161.57	\$29.49	22.3%	\$172.97	\$11.40	7.1%	\$10.00	\$10.74
Average Single Family Residential Use**	10	\$48.60	\$54.71	\$6.11	12.6%	\$58.57	\$3.86	7.1%	\$2.54	\$2.74

*Bills reflect both base rate increase and drought surcharge

**10 CCF/month represents historical average single-family residential use. In response to calls for conservation, District customers have conserved 12 percent over 2013 use levels to date so the average use is currently below 10 units per month.

Stage 3 - Single Family Residential Water Charges and Drought Surcharges on Water Bill									Impact of Surcharge	
	Single Family Residential Use (CCF)	FY15 Bill	FY16 Bill *	Increase from FY15	Percent Change	FY17 Bill *	Increase from FY16	Percent Change	FY16	FY17
25 th Percentile	4	\$29.07	\$33.50	\$4.43	15.2%	\$35.85	\$2.35	7.0%	\$2.36	\$2.52
50 th Percentile (median use)	7	\$37.80	\$44.12	\$6.32	16.7%	\$47.22	\$3.10	7.0%	\$4.13	\$4.41
75 th Percentile	12	\$55.80	\$68.37	\$12.57	22.5%	\$73.22	\$4.85	7.1%	\$8.08	\$8.71
95 th Percentile	30	\$132.08	\$177.23	\$45.15	34.2%	\$190.06	\$12.83	7.2%	\$25.66	\$27.83
Average Single Family Residential Use**	10	\$48.60	\$58.67	\$10.07	20.7%	\$62.82	\$4.15	7.1%	\$6.50	\$6.99

*Bills reflect both base rate increase and drought surcharge

**10 CCF/month represents historical average single-family residential use. In response to calls for conservation, District customers have conserved 12 percent over 2013 use levels to date so the average use is currently below 10 units per month.

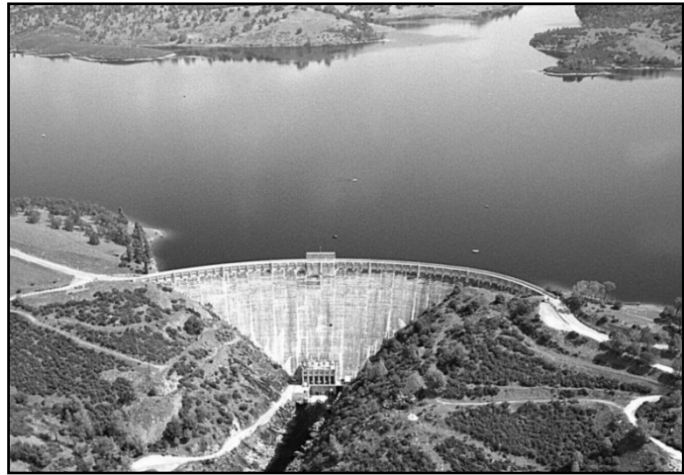
Stage 4 - Single Family Residential Water Charges and Drought Surcharges on Water Bill									Impact of Surcharge	
	Single Family Residential Use (CCF)	FY15 Bill	FY16 Bill *	Increase from FY15	Percent Change	FY17 Bill *	Increase from FY16	Percent Change	FY16	FY17
25 th Percentile	4	\$29.07	\$34.06	\$4.99	17.2%	\$36.49	\$2.43	7.1%	\$2.92	\$3.16
50 th Percentile (median use)	7	\$37.80	\$45.10	\$7.30	19.3%	\$48.34	\$3.24	7.2%	\$5.11	\$5.53
75 th Percentile	12	\$55.80	\$70.35	\$14.55	26.1%	\$75.39	\$5.04	7.2%	\$10.06	\$10.88
95 th Percentile	30	\$132.08	\$183.79	\$51.71	39.2%	\$196.99	\$13.20	7.2%	\$32.22	\$34.76
Average Single Family Residential Use**	10	\$48.60	\$60.25	\$11.65	24.0%	\$64.57	\$4.32	7.2%	\$8.08	\$8.74

*Bills reflect both base rate increase and drought surcharge

**10 CCF/month represents historical average single-family residential use. In response to calls for conservation, District customers have conserved 12 percent over 2013 use levels to date so the average use is currently below 10 units per month.

INTRODUCTION: DISTRICT OVERVIEW

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.



The mission of the District is

“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.”

Ninety percent of the water used by EBMUD comes from melted snow within the 627-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, and from there to 170 local reservoirs and 4,200 miles of distribution pipeline. To protect EBMUD’s customers from the potential devastation of a severe drought, the District created the Freeport Regional Water Project to convey up to 100 million gallons per day of supplemental Sacramento River water. The first water deliveries were in 2014.

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 No. 1. In addition to providing wastewater treatment, laboratory services operate 365 days a year to constantly monitor water quality for drinking water and wastewater systems. The Water System and Wastewater Systems are legally distinct entities managed by the same Board of Directors.

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 ten million gallons a day of recycled water is provided for industrial uses, golf courses, and landscaping needs. Eighty thousand megawatt-hours are generated at Pardee and Camanche powerhouses, and fifty-five thousand megawatt-hours of renewable energy are generated at the wastewater treatment plant annually, in total enough to power 20,000 homes for a year.

For a complete history of the East Bay Municipal Utility District, please visit the history page at www.ebmud.com/about-us/who-we-are/mission-and-history/

COMMUNITY

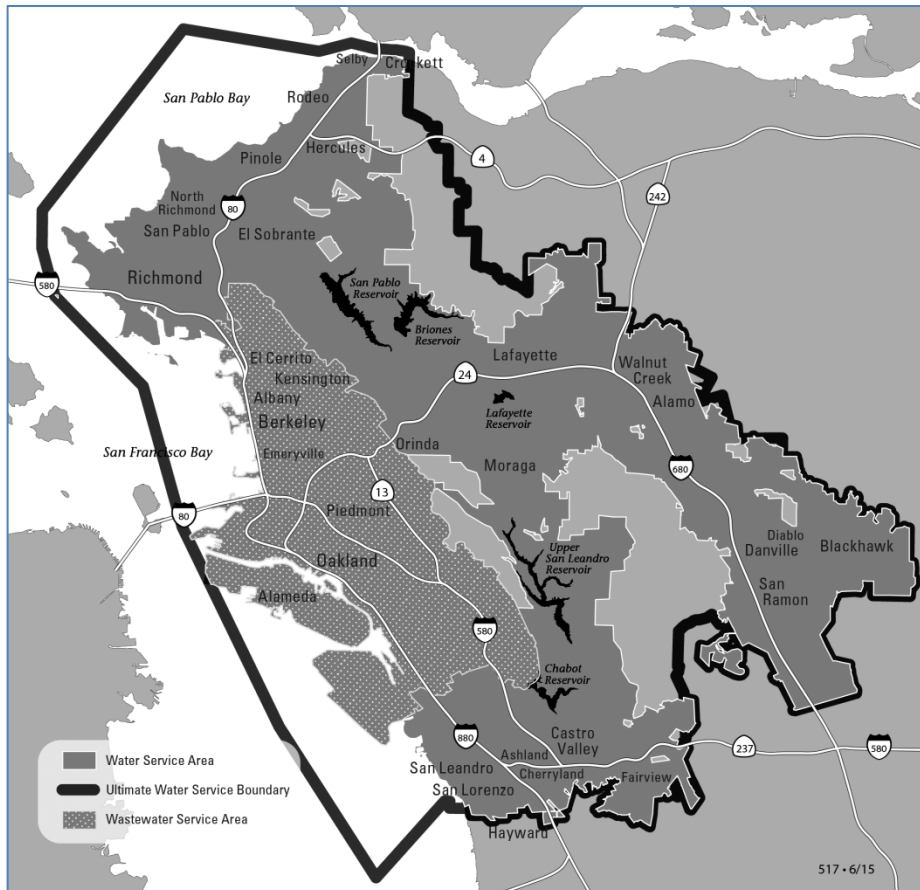
Service Area Description

In the 90 years since local residents voted to form a municipal utility district the East Bay has grown dramatically. Since 1929, when EBMUD first delivered water from the Sierra Mountains to the East Bay, the population served has grown from approximately 0.5 million to 1.3 million. Today the service area includes many of the region’s large employers. The District’s vitality is inseparable from the \$535 billion Bay Area regional economy and essential to the economic health of California and the nation. The Bay Area has the highest gross domestic product (GDP) per capita in the United States. The District’s infrastructure is diverse and extensive, with a replacement cost conservatively estimated at \$14.4 billion.

The EBMUD water service area includes a large part of 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”). It is a 332-square mile area extending from Crockett in the north to San Lorenzo in the south, and eastward from San Francisco Bay through the Oakland-Berkeley hills to Walnut Creek and south through the San Ramon Valley.

The wastewater service area is an 88-square mile area along the east shore of the bay extending from Richmond in the north to Oakland in the south.

EBMUD SERVICE AREA – WATER and WASTEWATER SYSTEMS



Population

Approximately 1.3 million people are served by the EBMUD water system, 650,000 of whom are also served by the wastewater system. The San Francisco Bay Area leads the state as the fastest growing region. Alameda County is the second fastest growing county in the State. Oakland is the eighth largest city in the State. The following table includes population data for the largest cities in the District's service area.

Population Trends *
Seven Largest Cities in Service Area
Alameda and Contra Costa Counties, and California

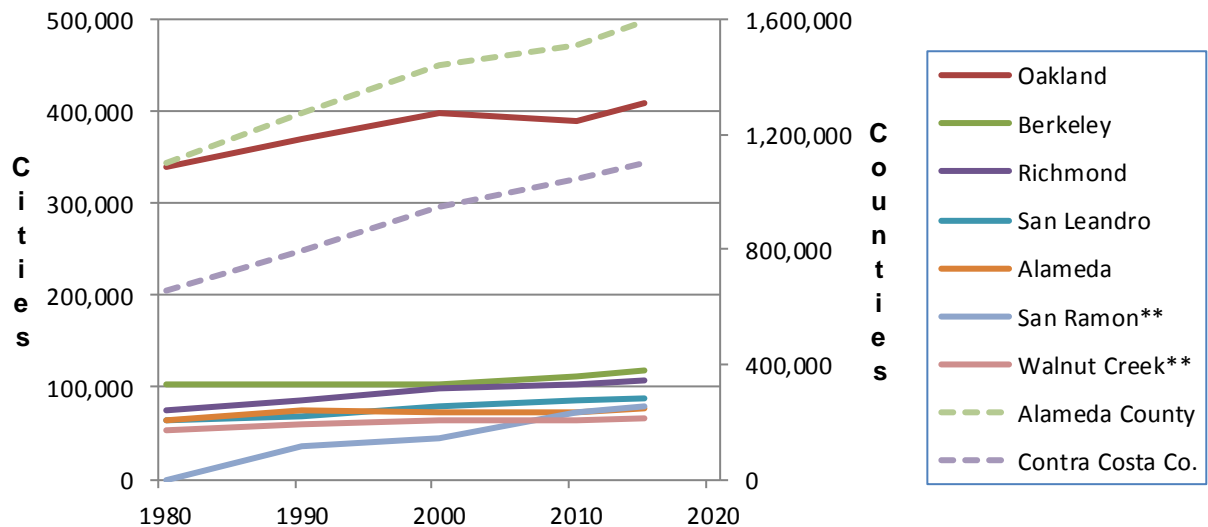
City/County	1/1/1980	1/1/1990	1/1/2000	1/1/2010	1/1/2015
Oakland	339,300	371,100	399,500	390,757	410,603
Berkeley	103,300	102,700	102,700	112,621	118,780
Richmond	74,300	86,600	99,200	103,661	107,346
San Leandro	64,200	68,100	79,500	84,977	88,441
Alameda	63,900	75,900	72,300	73,835	76,638
San Ramon**	***	35,300	44,800	72,148	78,561
Walnut Creek**		53,300	64,300	64,140	66,868
Alameda County	1,105,380	1,274,700	1,443,700	1,509,240	1,594,569
Contra Costa Co.	657,250	797,600	948,800	1,047,948	1,102,871
California	23,669,000	29,558,000	33,872,000	37,223,900	38,714,725

* California Department of Finance, Demographic Research Unit. Population Estimates for California Cities – Released May 1, 2015.

** EBMUD does not serve all of San Ramon or Walnut Creek, but total population is shown for each.

*** San Ramon was unincorporated at the time, data not available.

Population Trends
Seven largest cities in service area and both counties



** Total Population shown even though EBMUD does not serve the entire community.

WATER AND WASTEWATER SYSTEMS

Water Supply

This section provides a description of how EBMUD delivers water from the Sierra Nevada foothills to the Bay Area and how the wastewater plant treats municipal wastewater daily. In the 90 years of history, the population has grown and the system has expanded to meet increasing needs.

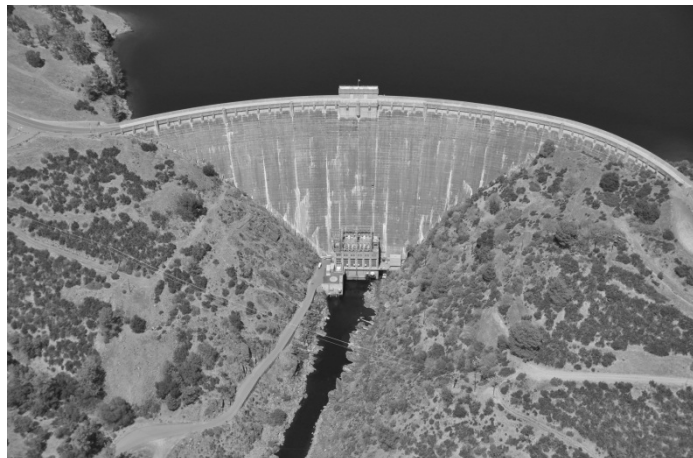
Ensuring a reliable high quality water supply for today and the future is one of the District's highest priorities. Significant capital investments have been made to ensure a reliable water supply, such as securing supplemental water supplies from Sacramento County to expanding recycled water supply programs.



One of the most important factors in water quality is the source: the purer the source the better the water. Ninety percent of EBMUD's water comes from the 627-square mile watershed of the Mokelumne River located on the western slope of the Sierra Nevada. This area is mostly national forest, EBMUD-owned lands and other undeveloped lands little affected by human activity. The Mokelumne watershed collects snowmelt which flows into Pardee Reservoir near the town of Valley Springs.

Three large aqueducts carry this water more than 90 miles from Pardee Reservoir to the East Bay and protect it from pesticides, agricultural and urban runoff, municipal sewage and industrial discharges. When water demand is high or during times of operational need, EBMUD also draws water from protected local watersheds.

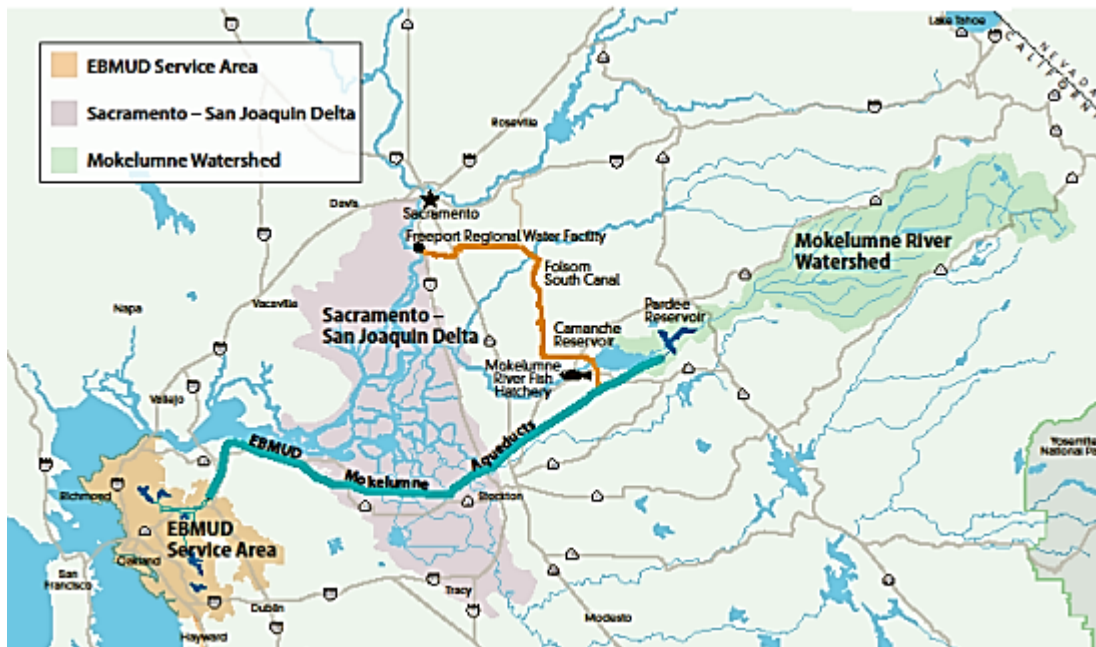
Before water reaches the tap, EBMUD takes many steps to ensure its quality. This includes carefully managing watershed lands and reservoirs, treating the water, maintaining that water quality through a complex system of distribution pipes, pumping plants and reservoirs, testing water samples in our lab and in the field, and addressing consumer concerns. These efforts ensure that all customers receive high-quality drinking water that meets or surpasses all state and federal regulatory requirements.





Every five years EBMUD updates its Urban Water Management Plan to ensure a reliable water supply for the next generation. This includes making the best use of limited supplies through water conservation and recycling and developing long-term projects to augment the water supply.

This map shows how the water travels from the Mokelumne River watershed into Pardee Reservoir, across the Central Valley in EBMUD's Mokelumne Aqueducts, and to the EBMUD Service Area.



Some of the water used by customers is discharged into the sewer system and makes its way to the Wastewater Treatment Plant for treatment, and finally to the San Francisco Bay. The wastewater treatment process is described next.

Wastewater Treatment

EBMUD's wastewater treatment plant provides service for 650,000 people along the eastern shore of San Francisco Bay, and treats approximately 63 million gallons of municipal wastewater per day. Wastewater is collected from homes and businesses through privately owned sewer laterals that feed into a network of city sewers. EBMUD's sewer interceptors (large pipes) and pump stations carry the wastewater to its treatment plant in Oakland.



Stormwater is collected through a separate community-owned system. The plant treats sewage to meet stringent state and federal standards before recycling it or releasing it to the Bay. Prior to its existence, raw sewage was discharged directly into the Bay. EBMUD partners with residents and businesses to help them keep contaminants out of the sewer system.

EBMUD has been recycling, reusing, and producing renewable energy at its wastewater plant since the mid-1980s. EBMUD's plant transforms sewage and other organic wastes into green energy, nutrient-rich soil conditioner and recycled water. In addition, EBMUD produces more than enough renewable energy to meet all onsite power demands.

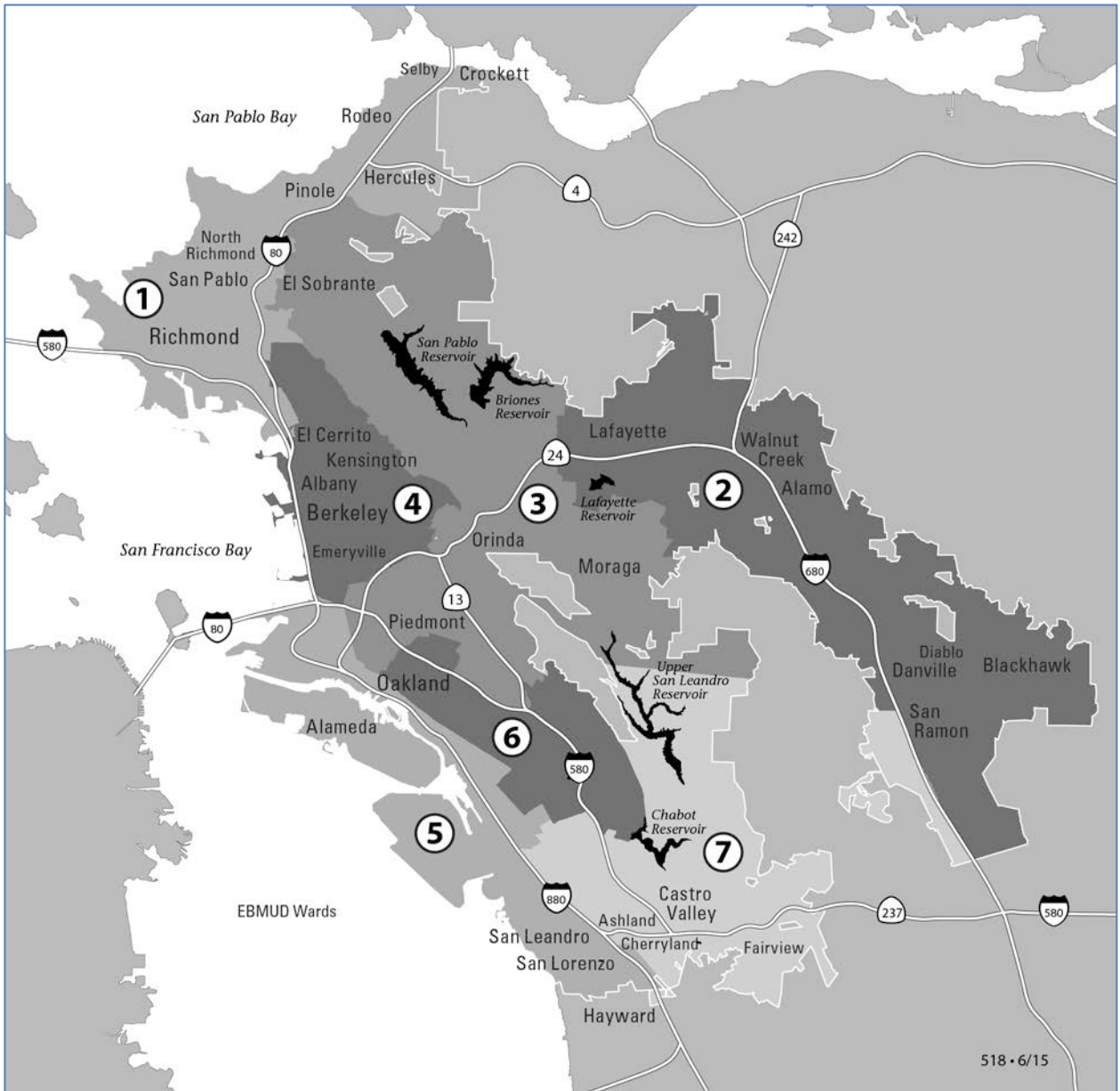


DISTRICT ORGANIZATION

BOARD OF DIRECTORS

EBMUD has a seven-member elected Board of Directors who determine overall policies, which are then implemented under the direction of the General Manager. The Board of Directors 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.

Directors are publicly elected for four-year terms from seven wards within the service area, with one Director representing each ward. The following map shows the areas included in each ward.



The current Board of Directors is shown below. More information on the Board of Directors can be found at: www.ebmud.com/about-us/board-directors/your-board-members/

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 12/31/2018**

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: **Marguerite Young** **Term expires 12/31/2018**

ALAMEDA COUNTY: City of Piedmont, and a substantial 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** **Term expires 12/31/2018**

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 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 - Vice-President** **Term expires 12/31/2016**

ALAMEDA COUNTY: Portions of Oakland (East Oakland and south of Park Boulevard/5th Avenue) to the San Leandro City boundary.

WARD 7 Director: **Frank Mellon - President** **Term expires 12/31/2018**

ALAMEDA COUNTY: Castro Valley; portions of San Leandro and Hayward; communities of Cherryland and Fairview.
CONTRA COSTA COUNTY: Portion of San Ramon.

Board meetings are open to the public and are held twice monthly on the 2nd and 4th Tuesday of each month. The Board may also meet at other times as needed. The Board is committed to developing policy through an open, public process, guided by the EBMUD Mission Statement.

SENIOR MANAGEMENT

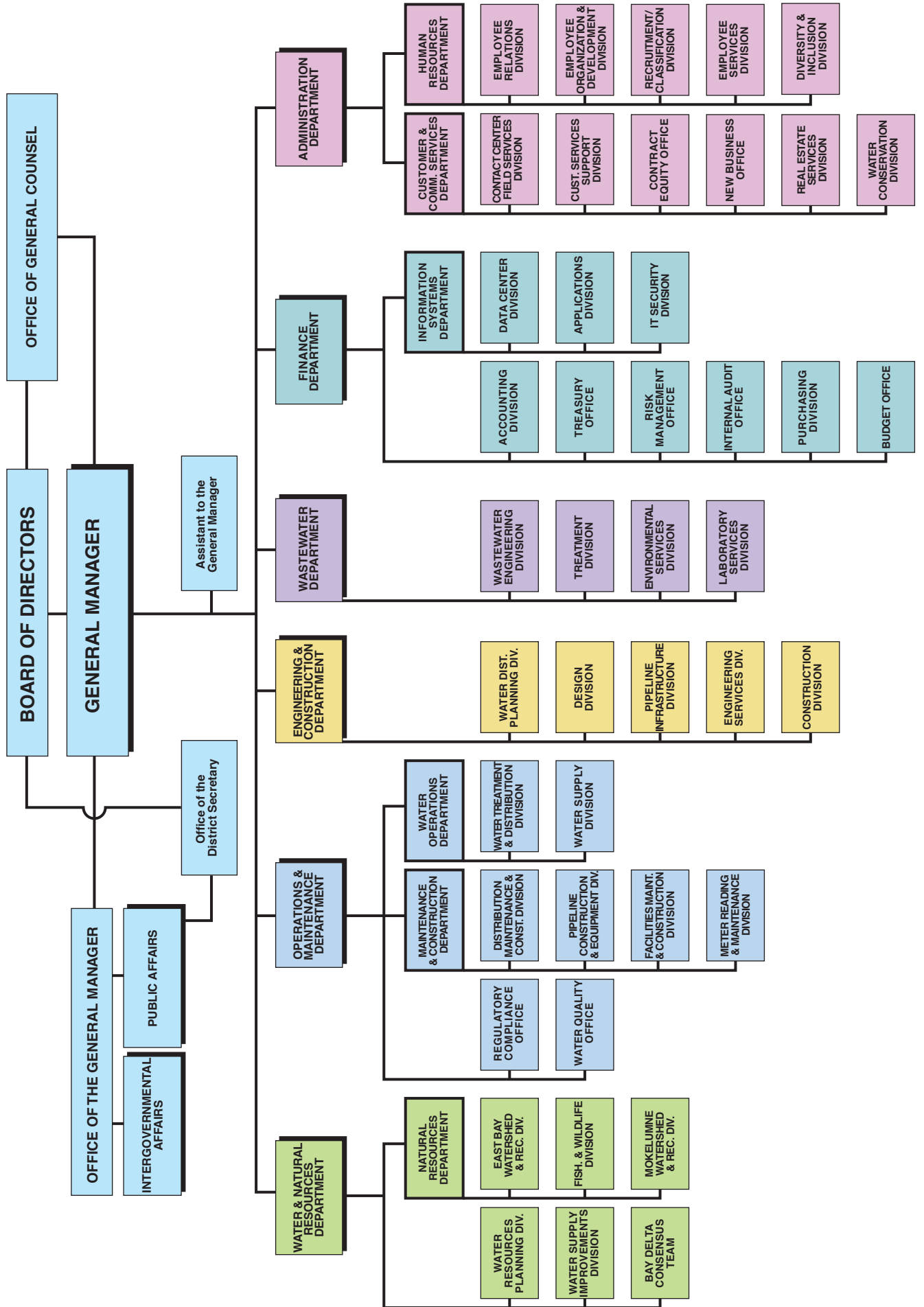
The General Manager and General Counsel are appointed by and report directly to the Board of Directors.

Alexander R. Coate	General Manager
Craig S. Spencer	General Counsel

The Senior Management Team listed below is responsible for managing the operations of the District.

Clifford C. Chan	Operations and Maintenance Department Manager
Marlaigne K. Dumaine	Special Assistant to the General Manager – Governmental Affairs
Cheryl A. Farr	Special Assistant to the General Manager – Communications
Sherri A. Hong	Manager of Customer and Community Services
Bennett K. Horenstein	Director of Wastewater
Nicholas J. Irias	Manager of Information Systems
Xavier J. Irias	Director of Engineering and Construction
Lynelle M. Lewis	Secretary of the District
Sophia D. Skoda	Director of Finance (Acting)
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 M. White	Operations and Maintenance Department Manager
Vacant	Director of Administration
Vacant	Manager of Natural Resources

The chart on the following page provides an overview of the organization and shows the relationships between different departments and divisions within the District. It can also be found at www.ebmud.com/about-us/board-directors/management/



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. The majority of employees work in the East Bay, but employees also work in the Central Valley and Mokelumne watershed area.

EBMUD is an equal employment opportunity (EEO) employer, and a proud leader in taking legal, proactive steps that support a diverse, inclusive workforce. From Board adopted policies that ensure equal employment opportunities for all persons regardless of race, and based on job related merit, the District uses inclusive and creative recruitment, professional development and placement methods to enhance the District's efforts to achieve a workforce composition reflective of the labor market in the communities we serve.

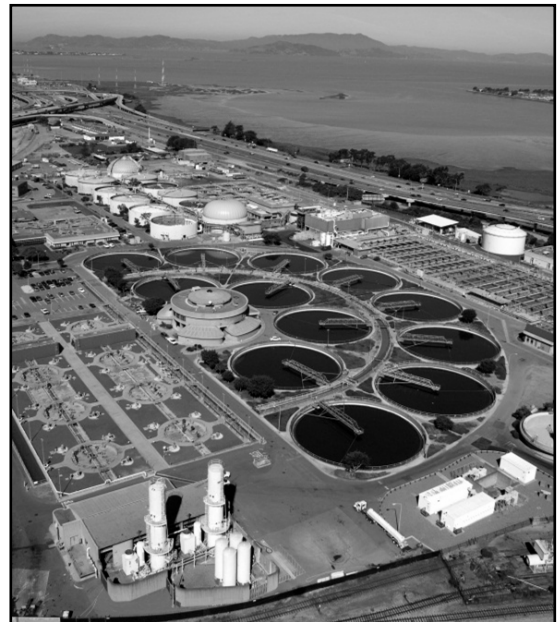


EBMUD OFFICES



Administration Building
375 Eleventh Street, Oakland, 94607

Wastewater Treatment Plant
2020 Wake Ave, Oakland, 94607



STRATEGIC PLAN SUMMARY

This section provides a summary of the District's Strategic Plan. The District's first Strategic Plan was adopted in May 2004. The senior management team identified the critical issues facing the District in the future and determined how best to address them. The result was a plan that outlined the goals, strategies, objectives, and key performance indicators (KPIs) that would help the District carry out its mission. The plan is adopted every two years.

Introduction

The District's current Strategic Plan was adopted by the Board of Directors in July 2014. 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. The Strategic Plan includes the following elements:

- **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 accomplished 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, addressing environmental, social, and financial concerns.
- **Long-Term Financial Stability**
Manage the District's finances to meet funding needs and maintain reasonable water and wastewater rates.
- **Customer Service**
Understand and be responsive to customer expectations for service.
- **Workforce Planning and Development**
Create an environment that attracts, retains, and engages a high performing diverse workforce in support of the District's mission.

Key Performance Indicators

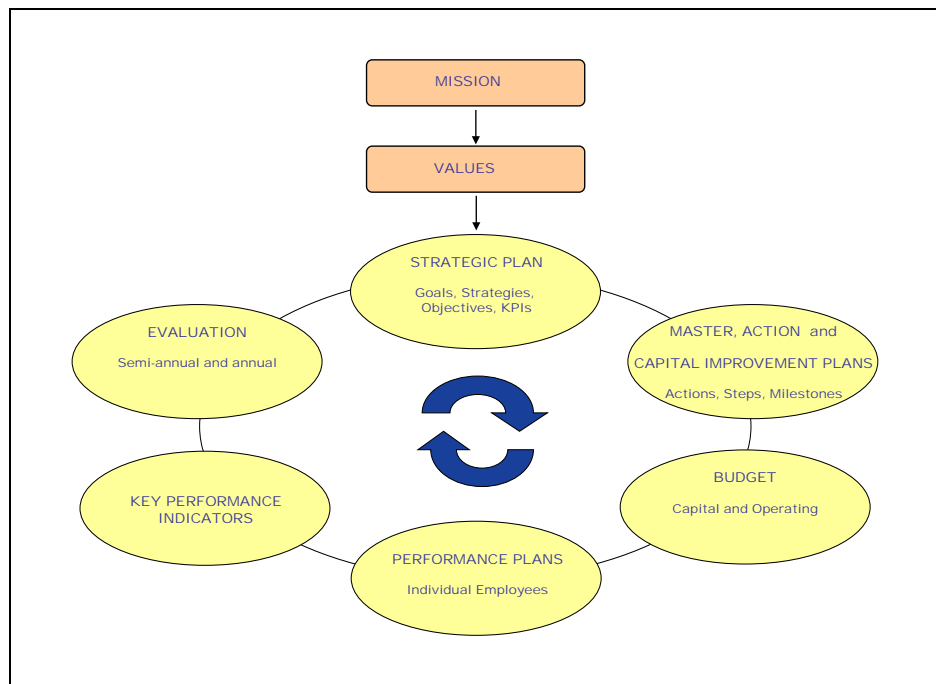
The current plan includes 56 KPIs that are appropriate, measurable, comprehensive, and reflect the various strategies contained within the six Strategic Plan goals. KPIs measure performance against targets and enable the District to evaluate its progress in meeting the Strategic Plan goals. Included in the July 2014 Strategic Plan is a description of each indicator, actual performance in FY13, as well as performance targets for FY14 and FY15. Performance against these targets is measured annually and presented to the Board of Directors. The latest KPI report, completed in September 2014, includes information on targets met and not met in FY14.

Implementing the Plan

The Strategic Plan provides the overall direction on how to achieve future success. It does not, however, describe all the specific actions needed to achieve those objectives. These actions are spelled out in a series of master plans, action plans, and the Capital Improvement Plan.

These plans are developed to guide budget preparation. By developing plans that are tied to the Strategic Plan and utilizing these plans to guide our budget priorities, the District can ensure that it focuses its resources on the highest priorities for the District.

Individual employee performance plans prepared on an annual basis reflect the priorities and provide the employee a clear understanding of how his/her work relates to the District as a whole.



Strategic Plan 2014 strategies, objectives, and Key Performance Indicators are contained in the appendix to this volume.

For a complete copy of the 2014 Strategic Plan, go to www.ebmud.com/about-us/who-we-are/

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CHAPTER 1: FINANCIAL ORGANIZATION AND BUDGET PROCESS

This chapter 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

As illustrated in the graphic on the following page, the District's financial structure is composed of 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.

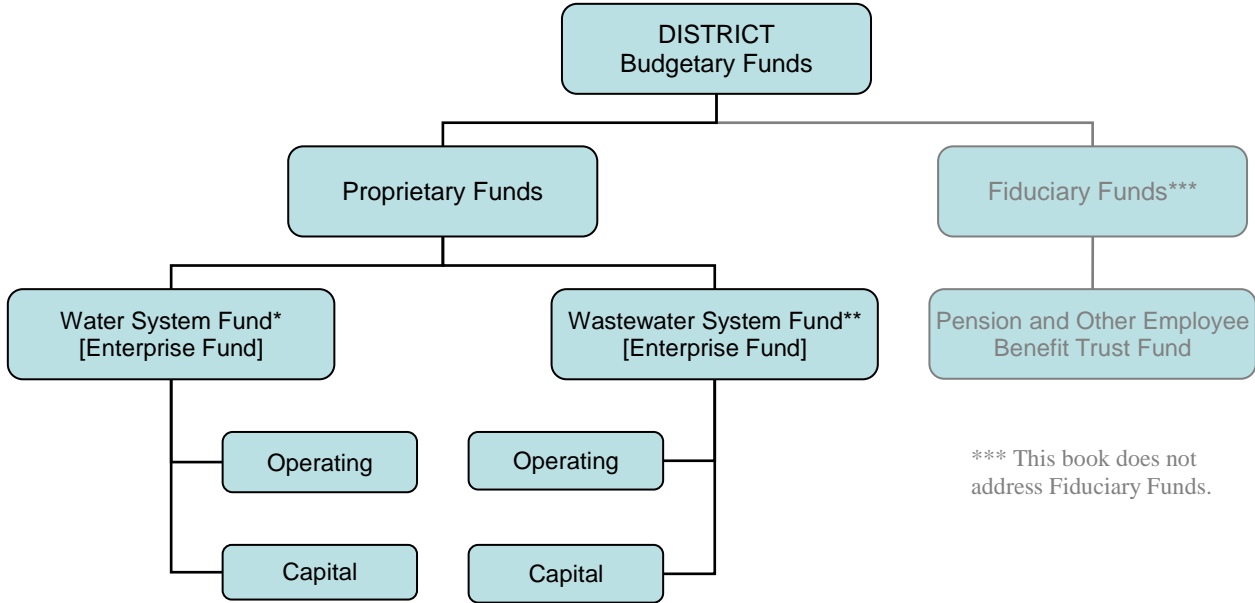
- The Water System is engaged in the collection, transmission, and distribution of water to communities within Alameda and Contra Costa counties of California. In addition, the Water System provides administrative, financial, and other support services to the Wastewater System. These costs are charged to the Wastewater System. The Water System consists of fourteen staffed departments.
- 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. The Wastewater System consists of one staffed department.

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.

The Water System performs many support functions for the Wastewater System. These functions include but are not limited to financial services such as accounting, human resources services such as recruitment, information technology, customer services, legal services, and general oversight and governance. The Wastewater System pays the Water System directly for these services through a joint administrative and general annual expense.

Both systems are governed by the same elected Board of Directors, and share policies and procedures. Throughout this book, the District refers to the East Bay Municipal Utility District and is understood to encompass both the Water and Wastewater Funds.

Financial Structure



*** This book does not address Fiduciary Funds.

***Departments**

- Operations and Maintenance Support
- Maintenance & Construction
- Water Operations
- Water Resources
- Natural Resources
- Engineering & Construction
- Office of the General Manager
- Finance
- Information Systems
- Customer & Community Services
- Human Resources
- Office of the General Counsel
- Water Recycling Program
- Administration

****Department**

- Wastewater

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. At the conclusion of each fiscal year the Finance Department prepares 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 for the Comprehensive Annual Financial Report for the fiscal year ending June 30, 2014. 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 satisfies both generally accepted accounting principles and applicable legal requirements. This was the tenth consecutive year that EBMUD has received this award.

Budgetary and Accounting Basis

The basis of budgeting and accounting refers to the method of recognition of revenue and expenses in financial and budgetary reporting.

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

This table illustrates the differences between the budget and accounting basis described above.

	BUDGETS Modified Cash Flow basis	ACCOUNTING Accrual basis
Revenue	Recognized when received and accounted for	Recorded when earned
Obligations	Recognized when a commitment is made through encumbrance or expense	Recorded at the time commitments are incurred
Depreciation and amortization	Excluded	Included
Repayment of principal on debt	Included	Excluded

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 majority of District policies are reviewed biannually; some policies, such as the Investment Policy shown below, are reviewed annually. The adoption date changes only if revisions are made to the policy. 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	Adopted July 2005
Policy 4.04	Financial Planning and Budgetary Control	Adopted April 2009
Policy 4.07	Investment Policy	Adopted April 2015
Policy 4.13	Establishing Water Rates	Adopted April 2012

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 percent of projected annual water volume sales.
 - For Wastewater System – 5 percent 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 percent of the total capital program over each five-year planning period.
- Limiting the use of commercial paper/variable rate debt to 25 percent 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 percent of each fiscal years' 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 support 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 and the Wastewater Systems 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 responsible for implementing the budget and monitoring budget performance, responding to unforeseen or emergency circumstances, and participating in long-range financial planning.

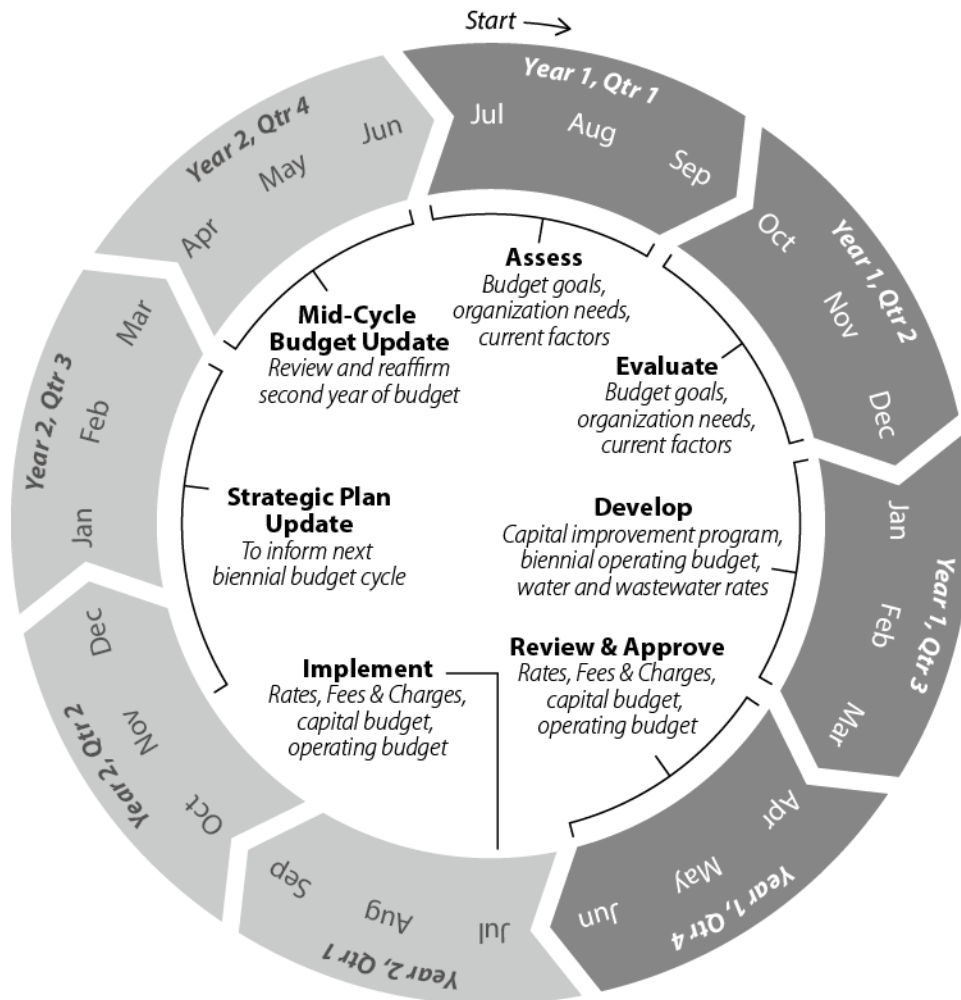
The District received the GFOA's Distinguished Budget Presentation Award for its FY14-15 biennial budget document dated June 11, 2013. This is the thirteenth consecutive budget document for which EBMUD has received the GFOA award. For the second time, the California Society of Municipal Finance Officers (CSMFO) has presented the Excellence in Budgeting Award to the District. To qualify for these awards, the budget document had to meet stringent guidelines and program criteria. Independent reviewers rated the documents and recommended these awards for the District.

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 Development Calendar

The District has a biennial budget process which is represented in the graphic below and described more fully in the following text.



Assess:

Budget goals, organization needs, and current factors

July
August
September

Strategic Plan adopted
Budget guidelines and assumptions prepared
Capital budget development starts

Evaluate:

Budget goals, organization needs, and current factors

October
November
December

Operating budget development starts
Review of capital budget requests begins
Review of operating budget requests begins

Develop: Biennial operating budget, capital improvement program, water and wastewater rates

January / February Operating budget and capital improvement program 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.

General Manager presents the proposed operating and capital budgets, and proposed rates, fees and charges to the Board at a budget workshop.

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

April A second budget workshop occurs if needed to address any direction given by the Board to the staff based upon the outcome of the first budget workshop.

California Proposition 218 notices are distributed to property owners.

May General Manager's recommendations on the proposed rates, charges, and fees are filed with the Board of Directors.

June Public hearing on rates.

Board adopts operating and capital budgets, and rates, fees and charges.

Implement: Adopted Rates, Fees & Charges, capital and operating budgets

July Adopted rates and budget implementation begins
Budget document, and rates and charges documents, published.

Strategic Plan Update

This plan provides the District with overall direction on how to achieve future success, sets priorities for the biennial budget, and aligns operating and capital budgets with those priorities.

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 and Semi-Annual Budget Performance Reports

At the mid-point and 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 update.
- 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 percent of the fiscal years' 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.
- Authorize the allocation of budgeted funds from contingency.
- 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

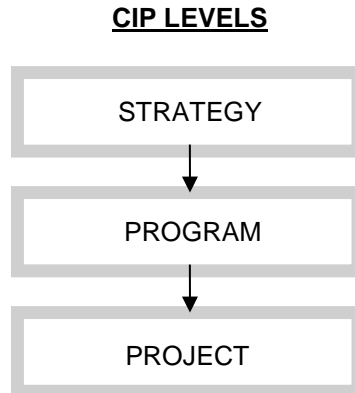
Adjustments to the operating budget are reallocations of funds between organizational units, categories, and/or line items, which allow departments to have financial flexibility within established budgetary controls. Budget adjustments to the capital budget are reallocations of funds within or between 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 budget of the Water or Wastewater System.

Capital Improvement Program Preparation

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.

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



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

The second level in the CIP 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 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 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

The District budget summary provides an overview of the District-wide biennial budget. Subsequent chapters describe the budgets for each of the two distinct funds: water and wastewater. This chapter includes the appropriations that are approved by the Board of Directors, a summary of operational priorities, and discussions of the following topics:

- operating expenses including staffed and non-staffed departments,
- debt service,
- labor, benefits, and staffing,
- capital expenses,
- the sources of the funds that support those expenses
- fund summaries, and
- rates, fees and charges.

BUDGET APPROPRIATIONS

The FY16-17 District-wide total appropriation is \$1.83 billion. Of that amount, \$1.71 billion is for water system and wastewater system operations, debt service, and capital appropriations. In addition, the Board is appropriating an additional \$126.3 million for drought contingency.

The FY16 budget of \$836.9 million is comprised of \$313.7 million or 38 percent for operations expense, \$203.6 million or 24 percent for debt service and \$319.6 million or 38 percent for capital appropriation. The FY17 budget of \$870.1 million is comprised of \$332.9 million or 38 percent for operations expense, \$214.1 million or 25 percent for debt service and \$323.0 million or 37 percent for capital appropriation. The drought contingency appropriation is \$64.2 million in FY16, and in \$62.1 million in FY17. Please see the Water System chapter for more details.

The following table shows the major components of this budget and the total appropriation approved by the Board of Directors for this biennial budget.

FY16-17 APPROPRIATIONS							
(\$ Thousands)							
	FY16			FY17			FY16-17
	Water	Wastewater	Total	Water	Wastewater	Total	Grand Total
Operations	248,264	65,448	313,712	262,232	70,717	332,949	646,661
Debt Service	169,894	33,693	203,587	180,191	33,956	214,147	417,734
Capital Appropriation	<u>249,042</u>	<u>70,536</u>	<u>319,578</u>	<u>290,392</u>	<u>32,583</u>	<u>322,975</u>	642,553
Total	667,200	169,677	836,877	732,815	137,256	870,071	1,706,948
Drought Contingency	<u>64,206</u>	-	<u>64,206</u>	<u>62,078</u>	-	<u>62,078</u>	126,284
Grand Total	731,406	169,677	901,083	794,893	137,256	932,149	1,833,232

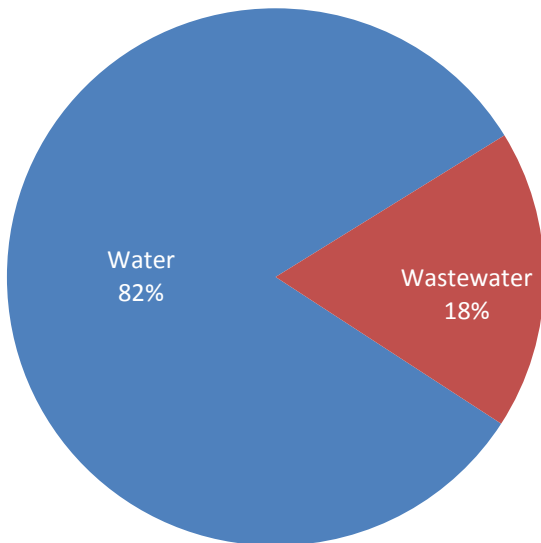
USE OF FUNDS

The District's uses of funds are divided into three major components in both the Water System and Wastewater System:

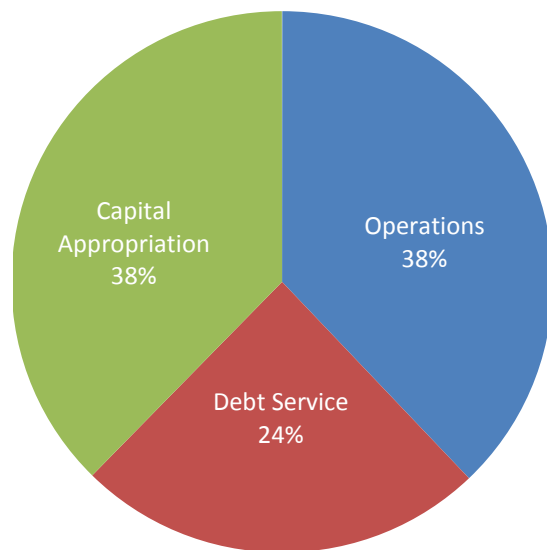
- Operations and maintenance of the District, including the annual cost of providing all water and wastewater services, labor and benefits,
- Debt Service on previously issued bonds to pay for the investments in infrastructure in the capital improvement program, and
- Capital Appropriation, which is for long-term projects to upgrade aging infrastructure, prepare for earthquakes, protect natural resources, and ensure a future water supply, and, like operating expenses, includes equipment and salaries.

The following charts characterize the combined FY16-17 budget in two aspects. First, the chart on the left compares the size of the Water System budget to the Wastewater System budget. The Water System budget is 4.5 times greater than the Wastewater System. The second chart depicts the three separate components of the budget (i.e., operations, debt service and capital appropriation). Financing, or debt service, is only incurred to support the capital program. The total capital and debt service appropriation when combined represent 62 percent of the budget that is dedicated to capital investment activities. The charts do not include the drought contingency included in the FY16-17 Appropriations.

Budget by Enterprise



Budget by Component



The next section describes the uses of funds for Operations, Debt Service, and Capital programs.

OPERATIONS

As shown in the “FY16-17 Appropriations” table at the beginning of this chapter, the budget is categorized into three components (i.e., Operations, Debt Service and Capital Appropriation). This section will address the operations budget component which is 38 percent of the total District-wide budget.

The operations portion of each fund (i.e., Water or Wastewater) budget is categorized into various departments. The majority of these departments are referred to as *staffed departments* indicating employees are assigned to work in these areas. The staffed departments’ budgets fund the day-to-day operations of the District and include funding for labor, benefits, outside contract services and other non-labor expenses such as electricity, chemicals, fuel, computer hardware, self-insured liability claims, workers compensation claims, etc. A detailed description of each staffed department is included in the corresponding Water or Wastewater System chapter of this document.

A small number of departments do not have personnel assigned to them. These departments are referred to as *non-staffed departments*. The impact on the budget by each of these departments varies:

Contingency - Funds budgeted each fiscal year to primarily cover projected labor-related expenses such as the employee cost of living adjustment which is based upon each year’s February CPI-W (Consumer Price Index for Urban Wage Earners and Clerical Workers) in the San Francisco-Oakland-San Jose area. The index is published in March of each year.

Intradistrict - Certain internal service accounts, or clearing accounts, are included in balance sheets to assure that internal expenses are not counted twice within the operations budget. Examples of these accounts include warehouse stores loading overhead and fleet vehicle expenses.

Administration of Capital - The administration of capital represents those costs that are not directly attributable to specific capital projects but are more generalized indirect support of the Capital Improvement Program (CIP). The administration of capital in the operations budget will decrease operating expenses by a like amount and reallocate the costs to the capital budget.

While contingency adds costs to the staffed departments, intradistrict and administration of capital subtracts costs at the Water System and Wastewater System Fund level as shown in the following table.

FY16-17 BUDGET

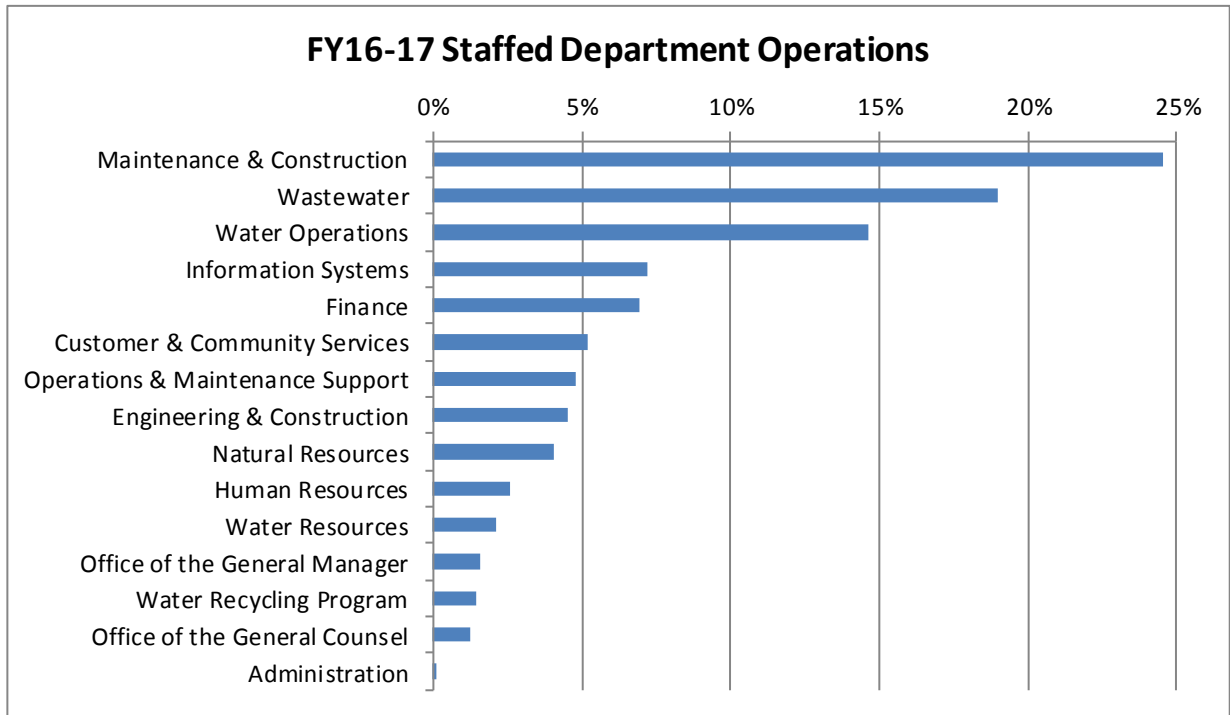
The table below illustrates each staffed and non-staffed department's portion of District-wide operations of \$313.7 million in FY16 and \$332.9 million in FY17, ordered by size within each system (Water and Wastewater). The totals can be compared to the operations appropriation at the start of this chapter, excluding the drought budget.

FY16-17 DEPARTMENT OPERATIONS		
(\$ Thousands)		
Water Departments	FY16	FY17
Maintenance & Construction	88,391	90,074
Water Operations	52,538	53,989
Information Systems	25,793	26,392
Finance	25,039	25,302
Customer & Community Services	18,666	19,083
Operations & Maintenance Support	17,321	17,726
Engineering & Construction	16,270	16,578
Natural Resources	14,632	14,895
Human Resources	9,377	9,452
Water Resources	7,482	7,768
Office of the General Manager	5,554	6,037
Water Recycling Program	5,162	5,262
Office of the General Counsel	4,489	4,515
Administration	356	356
Subtotal Water Staffed Departments	291,071	297,429
Contingency	8,793	16,503
Intradistrict	(11,600)	(11,700)
Administration of Capital	(40,000)	(40,000)
Total Water Operations	248,264	262,232
Wastewater Departments		
Wastewater	66,884	70,944
Subtotal Wastewater Staffed Departments	66,884	70,944
Contingency	1,564	2,773
Administration of Capital	(3,000)	(3,000)
Total Wastewater Operations	65,448	70,717
District Total		
Total District Operations	313,712	332,949

Totals may not foot due to rounding.

STAFFED DEPARTMENTS

The chart below shows the share of the total operations budget of each staffed department. Maintenance and Construction is the largest staffed department and is responsible for services such as water distribution pipelines including installation of new services, repairing leaks, replacing meters, fleet operations and maintaining the water treatment infrastructure and other facilities located throughout the District. A detailed description of each department's services is shown in the Water and Wastewater System chapters.



DEBT SERVICE

As shown in the “FY16-17 Appropriations” table at the beginning of this chapter, the budget is categorized into three components (i.e., Operations, Debt Service and Capital Appropriation). This section will address the debt service component which is 24 percent of the total District-wide budget.

Capital expenditures can either be funded through debt financing or on a “pay-as-you-go” basis. Debt financing is generally more suited to large capital projects with long useful lives. If the capital expenditure is significant, debt financing is usually a better option since large capital expenditures can be difficult to accommodate on a “pay-as-you-go” basis without spiking rates. Debt financing also achieves a measure of intergenerational equity in that future ratepayers will participate in the financing of the capital projects over their useful life. The “pay-as-you-go” option is also referred to as revenue funded capital. It is a source of funding the District utilizes to reduce its reliance on debt, and is funded from current year revenues.

The District’s policy is that over any five-year planning period no more than 65 percent of the capital improvement program (CIP) will be funded from debt. The prior biennial budget as well as this budget supports additional “pay-as-you-go” funding to reduce the debt-financed portion of the CIP. Although debt service payments are considered to be part of the operations budget, debt proceeds are used to finance capital investment activities.

FY16-17 DEBT SERVICE

Debt service will be \$203.6 million in FY16 and \$214.1 million in FY17. Total outstanding debt on the Water System is projected to be \$2.51 billion as of June 30, 2015. Total outstanding debt on the Wastewater System is projected to be \$424 million as of June 30, 2015.

The Water System budget assumes issuance of \$101.2 million in new revenue bonds in FY16, and \$108.9 million in FY17. The Wastewater System budget assumes issuance of approximately \$2.0 million of new revenue bonds in FY16 and \$22.1 million in FY17.

CAPITAL EXPENDITURES

As shown in the “FY16-17 Appropriations” table at the beginning of this chapter, the budget is categorized into three components (i.e, Operations, Debt Service and Capital Appropriations). This section addresses the capital appropriation budget component which is 38 percent of the total District-wide budget. The capital appropriation funds the District’s Capital Improvement Program (CIP). The CIP is a set of projects approved by the Board of Directors that define the capital priorities of the District for the next five years.

APPROPRIATIONS

Appropriations are the amounts approved by the Board of Directors to be spent on capital projects. The Board adopts the appropriations for only the first two years of the five-year CIP. The remaining years are for planning purposes only and are subject to revision. 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.

Administration of capital expenses are included in the appropriation, and are the share of those costs associated with support activities that benefit capital improvement work, such as work performed in support departments such as Finance, Human Resources, and Information Systems. These costs are not directly attributable to specific capital projects, but rather support the CIP as a whole, and are deducted from the operating budget and included in the CIP budget.

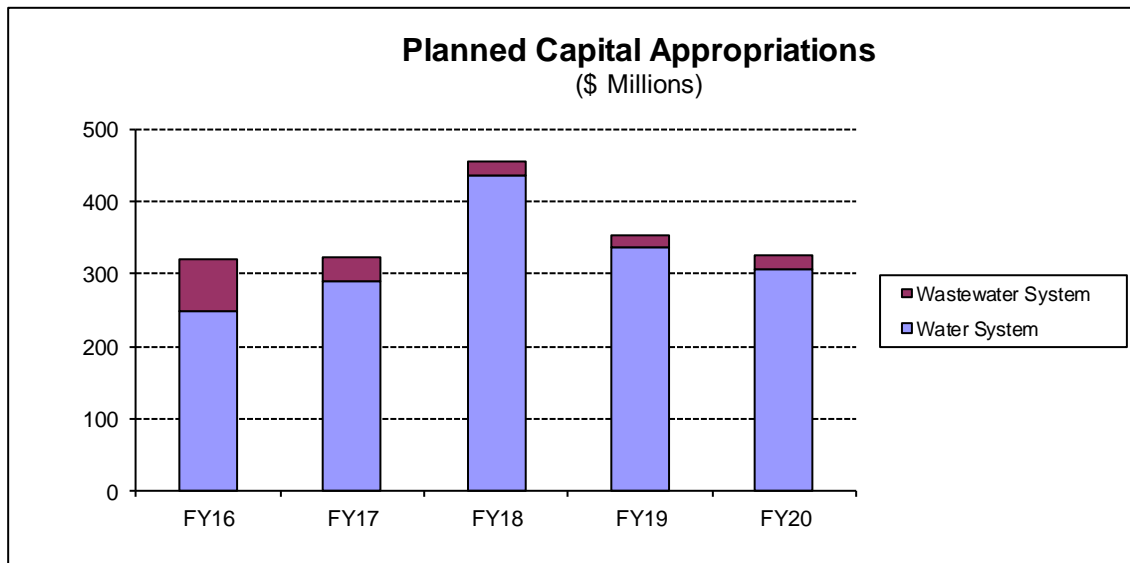
FY16-17 CAPITAL APPROPRIATION

The FY16 capital appropriation, including administration of capital expenses, is \$249.0 million for the Water System and \$70.6 million for the Wastewater System, for a total of \$319.6 million. In FY17, the capital appropriation is \$290.4 million for the Water System and \$32.6 million for the Wastewater System, for a total of \$323.0 million. 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. These key programs and projects are discussed in Chapters 3 and 4 for the Water System and Wastewater System, respectively. In addition, a full description of each project can be found in the supplemental volume to this budget document.

The following table presents the planned appropriations for the five-year CIP by fund, plus administration of capital expenses. The total planned FY16-20 appropriation is \$1.78 billion, which includes \$1.62 billion for the Water System and \$159.6 million for the Wastewater System.

Capital Improvement Program Appropriations within Fund (\$ Millions)						
	FY16	FY17	FY18	FY19	FY20	Total
Water CIP	209.0	250.4	394.4	293.1	262.6	1,409.5
Administration of Capital	<u>40.0</u>	<u>40.0</u>	<u>41.2</u>	<u>42.4</u>	<u>43.7</u>	<u>207.3</u>
Water Total	249.0	290.4	435.6	335.5	306.3	1,616.8
Wastewater CIP	67.6	29.6	15.9	14.9	16.0	144.0
Administration of Capital	<u>3.0</u>	<u>3.0</u>	<u>3.1</u>	<u>3.2</u>	<u>3.3</u>	<u>15.6</u>
Wastewater Total	70.6	32.6	19.0	18.1	19.3	159.6
District Total	319.6	323.0	454.6	353.6	325.6	1,776.4

The relationship between the Water System and Wastewater System five-year planned appropriations can also be seen in the following chart:



The most significant change over the five year period is the planned increase in the Water System appropriations by \$144 million between FY17 and FY18. Funds will be needed for the replacement of the cement lining in the Mokelumne Aqueducts to protect the steel pipelines from corrosion, and for the expansion of the North Richmond Water Recycling Plant by one million gallons per day which provides recycled water to the Chevron refinery cooling towers. It is anticipated that the cost of the expansion will be borne by Chevron through reimbursements paid to the District, with no impact on water rates.

Wastewater appropriations are reduced by \$38 million between FY16 and FY17 as a number of large projects with spending over several years will be fully appropriated in FY16. Projects include the Wood Street sewer interceptor rehabilitation, pump station Q improvements, resource recovery, and odor control improvements.

CAPITAL CASH FLOW

Cash flow is the amount projected to be spent each fiscal year on projects in the CIP. The cash flow varies each year as projects progress from one phase of the work to another, such as from planning to design and then construction. Cash flow includes spending on contracts, equipment and supplies, and District labor. Capital labor is budgeted by departments for the time personnel will spend working on capital projects. When appropriate, an inflation factor is included when calculating a project's cash flows, based in part on Engineering News Record indices.

Administration of capital expenses are allocated to the capital program for costs not directly attributable to specific capital projects, but indirectly support the CIP. Therefore, the administration of capital is not allocated to each individual project's cash flow, but is applied to the CIP as a whole.

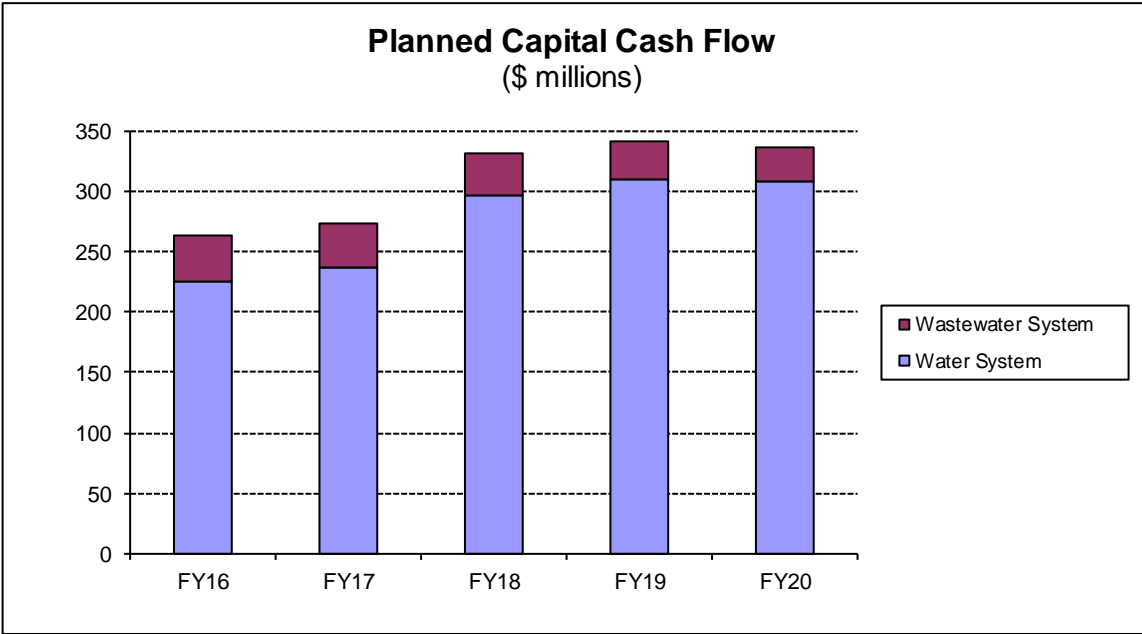
FY16-17 CAPITAL CASH FLOW

The FY16 capital cash flow, including administration of capital expenses is \$224.5 million for the Water System and \$39.0 million for the Wastewater System, for a total of \$263.4 million. In FY17, the capital cash flow is \$236.1 million for the Water System and \$36.7 million for the Wastewater System, for a total of \$272.9 million. The five-year planned cash flows can be seen in this chart:

Capital Improvement Program Planned Cash Flow within Fund						
(\$ Millions)						
	FY16	FY17	FY18	FY19	FY20	Total
Water	184.5	196.1	254.7	267.8	265.2	1,168.3
Administration of Capital	<u>40.0</u>	<u>40.0</u>	<u>41.2</u>	<u>42.4</u>	<u>43.7</u>	<u>207.3</u>
Water Total	224.5	236.1	295.9	310.3	308.9	1,375.6
Wastewater	36.0	33.7	32.0	27.6	23.6	153.0
Administration of Capital	<u>3.0</u>	<u>3.0</u>	<u>3.1</u>	<u>3.2</u>	<u>3.3</u>	<u>15.6</u>
Wastewater Total	39.0	36.7	35.1	30.8	26.9	168.5
District Total	263.4	272.9	331.0	341.1	335.8	1,544.2

Totals may not foot due to rounding.

The relationship between the Water System and Wastewater System five-year planned cash flows can also be seen in the following chart:



The most significant change over the five-year period is the planned increase in the Water System cash flow by approximately \$58.6 million between FY17 and FY18 as work is scheduled to commence to replace the cement lining in the Mokelumne Aqueducts to protect the steel pipelines, and expansion of the North Richmond Water Recycling Plant which provides recycled water to the Chevron refinery cooling towers. It is anticipated that the cost of the expansion will be borne by Chevron through reimbursements paid to the District.

In addition, the new “10 to 40” program will be initiated which includes development of a short-term program to replace an additional 5 miles per year of deteriorating water distribution pipelines; a pilot study researching methods and improvements to make the pipeline work process more efficient; and creation of a long-term plan to increase the replacement rate up to 40 miles per year.

BUDGET ALLOCATED BY SERVICES PROVIDED

The following table provides a summary of the FY16-17 appropriations grouped by services provided by the District. In addition to providing water and wastewater services, significant funds are used for making capital improvements and repaying bonds used to fund previous capital work. Fifty percent of the combined operations and debt service budgets will be spent on water and wastewater service.

Amounts shown below will not necessarily match the amounts shown in the department budget sections later in this volume. This chart excludes drought contingency.

(\$ Millions)	FY16	FY17
Water service Storage, treatment and delivery of high-quality water to 1.3 million customers; day-to-day maintenance of water supply and distribution systems; planning and engineering for future water supply; recycled water; and meter reading.	\$192.7	\$201.8
Infrastructure improvements and supplemental water supply Repayment of bonds that have been sold to pay for long-term investments in infrastructure, supplemental water supply and resource recovery.	\$203.6	\$214.1
Wastewater service Operation and engineering at wastewater treatment plant, laboratory and wet weather facilities that serve more than 650,000 customers; educational outreach to residences, businesses and communities for industrial discharge, source control and private sewer programs, and overhead.	\$65.5	\$70.7
Support services Human resources, finance, information technology and other internal support services and overhead.	\$23.4	\$26.8
Customer service Water conservation programs, public information, school outreach, billing services, call center and additional services to customers.	\$17.1	\$18.0
Natural resource management and protection Environmentally sound management of nearly 56,000 acres of watershed lands, operation of public recreation facilities and fisheries programs.	\$15.0	\$15.7
Total capital improvement budget	\$319.6	\$323.0
Total budget	\$836.9	\$870.1

DROUGHT CONTINGENCY

At the time of this budget creation, the District and the State are experiencing a prolonged drought. In an effort to plan for the potential of a continued prolonged drought during FY16-17, the budget includes a drought contingency to cover various additional drought-related labor and non-labor costs. The recovery of the drought contingency costs would be realized when the drought rates are in effect. Therefore, the drought contingency is not part of the normal water rates. These funds will only be utilized if needed. A detailed description of the drought contingency budget is located in the Water System chapter.

STAFFING

The District maintains a staffing plan that relates specifically to positions *authorized* by the Board of Directors. The *Staffing Plan* includes the job titles, positions and appointment types that have been authorized by the Board of Directors to carry out District functions. The *Staffing Plan* balances departmental efforts to allocate human resources effectively. 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. Staffing changes that require Board action are supported with a *Position Resolution* document.

The *Staffing Plan* and the *Position Resolution* do not address whether a position is *funded* in a particular fiscal year. Decisions regarding funding positions are made during the biennial budget process. This budget document includes references to *authorized* positions and *funded (or budgeted)* positions.

The District utilizes different position appointment types to meet its range of staffing needs. The appointment types include regular civil service, non-civil service, limited-term, temporary construction, intermittent, part-time and temporary. Positions are created by the Board of Directors.

Staffing is shown by number of positions and by number of full-time equivalents (FTE). Depending upon the appointment type, the FTE value will be different. Regular, non-civil service, Limited-Term and Temporary Construction appointment types are full-time and equivalent to 1.0 FTE. Intermittent appointment types are equivalent to 0.75 FTE. Part-time and temporary appointment types count as 0.5 FTE.

APPOINTMENT TYPES

The majority of the District's workforce is regular civil service or full-time positions.

Limited-term positions are intended to augment regular District staff to accomplish extra work or other operational programs or activities of a limited duration for a maximum of 4 years.

Temporary construction positions are also of a limited and specified duration typically associated with public works projects and facilities.

Intermittent positions represent the smallest number of positions of the appointment types. These positions typically work 30 hours per week, instead of 40 hours per week for full-time positions.

Part-time positions are normally restricted to 832 hours per year. Temporary positions are limited to 6 month duration, and are full-time during that duration.

FY16-17 BUDGET

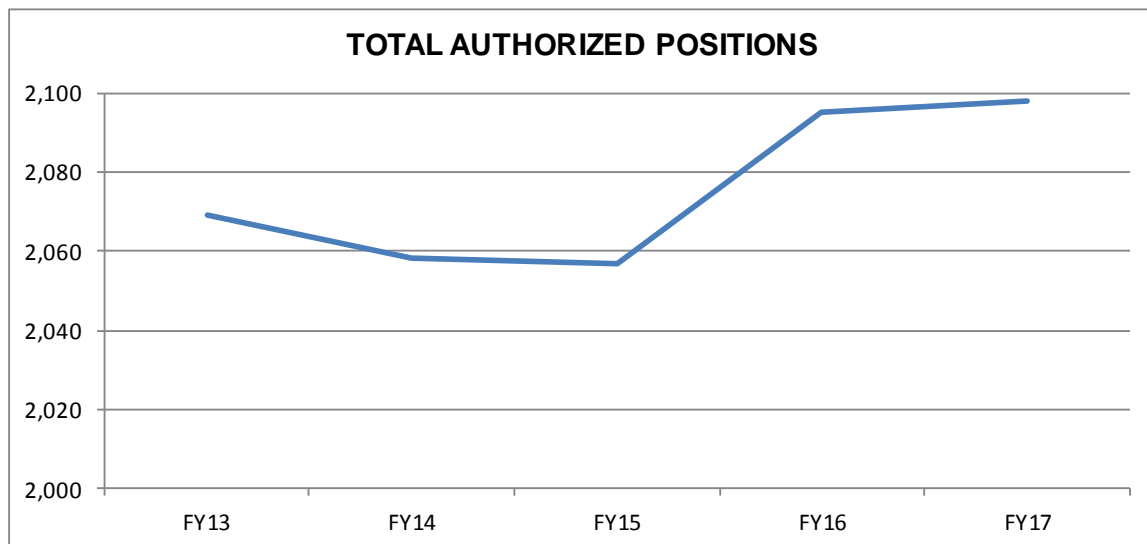
The District FY16-17 budget provides for funding both for additional authorized positions and for existing unfunded positions, compared to FY15. These investments in staff will enable the District to address the key priority areas mentioned earlier such as the 10-to-40 project in the Pipeline Infrastructure Renewal program, Technology Infrastructure, critical Wastewater programs and drought program support. The majority of the staffing changes occur in the first year of the biennial budget.

The following pages show the District-wide authorized positions, greater detail by FTE, and positions funded in the FY16-17 biennial budget.

Authorized Positions

In FY16, the total number of authorized positions is 2,095, or 38 more than the prior fiscal year. In FY17, an additional 3 positions are included to bring the total to 2,096. The following chart and graph show the number of *authorized positions* in the *Staffing Plan* for fiscal years FY13 through FY17. Staffing for FY13 through FY15 represents adopted annual staffing as amended by mid-year Board actions, inter-departmental transfers, and changes made under the General Manager's authority.

DISTRICT STAFFING					
NUMBER OF AUTHORIZED POSITIONS FY13-17					
	FY13	FY14	FY15	FY16	FY17
AUTHORIZED POSITIONS	Amended	Amended	Amended		
Full Time / Regular	1,942	1,943	1,943	1,970	1,971
Limited Term / Temporary Construction	48	37	36	45	47
Intermittent	4	4	4	4	4
Temporary / Part-Time	<u>75</u>	<u>74</u>	<u>74</u>	<u>76</u>	<u>76</u>
TOTAL AUTHORIZED POSITIONS	2,069	2,058	2,057	2,095	2,098
Position Change From Previous FY	0	-11	-1	38	3



Authorized Positions Detail by FTE

The number of District-wide *authorized* full-time equivalents is increasing 37.0 in FY16 and 3.0 in FY17 in comparison to the prior fiscal year, respectively. The total number of FTEs is 1 less than the total *authorized* positions of 38 due to the appointment type of 2 *part-time* gardener positions which count as 0.5 FTE each. The net total increases are derived through the addition of 52.0 FTEs combined with the deletion of 15.0 FTEs. In FY17, 3.0 FTEs will be added. These staffing changes are attributable to each specific enterprise system and will amend the authorized number of positions and FTEs as shown below.

Water System

A net total of 38.0 FTEs added in FY16. This total is derived through the addition of 50.0 FTEs and the deletion of 12.0 FTEs.

FY16

The 50.0 FTEs are comprised of:

- *10-to-40 project* – 27.0 FTEs added. This initiative requires a total staffing support of 36.0 FTEs. To fill the remaining staffing requirement, the budget funds 9.0 FTEs currently unfunded
- *Infrastructure Investment* – 7.0 FTEs added to support the capital improvement program
- *Technology Infrastructure* – 3.0 FTEs added to support the increasing need to address cyber-security, replace the aging financial system and system maintenance requirements
- *Customer support* – 2.0 FTEs added primarily for customer service
- *Water treatment operations* – 1.0 FTE added due to the nature of the work
- *Drought Program* – 10.0 FTEs, funded in the drought contingency budget, added to support advanced drought-related actions

The 12.0 deleted FTEs are:

- *Workload efficiencies* – 5.0 FTEs that supported ongoing functions
- *Infrastructure* – 7.0 FTEs (Temporary Construction) supporting infrastructure projects that were replaced with regular positions

FY17

A net total of 3.0 additional FTEs added in FY17, as follows:

- *Technology Infrastructure* – 1.0 FTE that supports technology infrastructure and cyber-security
- *Drought Program* – 2.0 FTEs, funded in the drought contingency budget, added to support advanced drought-related actions

Wastewater System

A net total of 1.0 FTEs deleted in FY16. This total is derived through the addition of 2.0 FTEs and the deletion of 3.0 FTEs.

FY16

The 2.0 added FTEs are comprised of:

- *Inflow and Infiltration* – 1.0 FTE added to support the inspection work
- *Workload efficiencies* – 1.0 FTE or two *part-time* positions to utilize resources consistent with the seasonal nature of the grounds maintenance work

The 3.0 deleted FTEs are:

- *Workload efficiencies* – 1.0 FTE that is no longer needed
- *Completed projects* – 2.0 FTEs that supported projects that are now complete or no longer require the additional support

FY17

There are no staffing changes for the Wastewater System in FY17.

Funded Positions

This budget increases the number of *funded* positions by 81 over the two-year period from 1,854 in FY15 to 1,935 in FY16 and FY17. As highlighted in the tables below, this budget provides *funding* for 81 additional positions compared to the prior budget. This includes funding for the new *authorized* positions discussed above plus funding for existing positions that were not funded in the previous budget.

TOTAL FUNDED POSITIONS			
	FY15	FY16	FY17
Water	1,589	1,661	1,660
Wastewater	265	274	275
District-wide	1,854	1,935	1,935

The 81 additional funded positions will support the following priorities:

ADDITIONAL FUNDED POSITIONS BY PRIORITY		
Priority	FY16	FY17
Infrastructure Replacement	50	-
Technology Infrastructure	12	-
Operations / Regulatory Compliance	11	-
Customer Support	8	-
Total	81	0

Of the 81 additional funded positions, 72 are in the Water System and 9 are in the Wastewater System.

Drought program positions *authorized* by the Board in FY16 and FY17 are funded in the drought contingency, and therefore not represented in the two *funded* position tables above.

LABOR AND BENEFITS

This section provides a description of the District-wide labor and benefit costs for both the Water and Wastewater Systems. Labor includes all compensation such as wages, salaries, cost of living adjustments, and overtime. Benefits include payments to cover the employer costs associated with retirement, health care, Social Security, and other programs such as disability and unemployment insurance. The District does not pay for any of the employee share of retirement contributions.

FY16-17 BUDGET

Overall Labor

The table below summarizes the District-wide budget for labor and benefits from FY15 to FY17. The table also includes the actual costs for FY14. Of the District-wide total labor and benefits two-year budget, the Water System represents 85 percent and the Wastewater System is 15 percent.

Operating & Capital Labor and Benefits Itemized (\$ Millions)						
	FY14 Actual	FY15 Amended Budget	FY16 Adopted Budget	FY16 vs FY15	FY17 Adopted Budget	FY17 vs FY16
Water						
Labor	\$ 149.2	\$ 159.5	\$ 168.2	5.4%	\$ 176.3	4.8%
Benefits	\$ 100.0	\$ 109.1	\$ 108.4	-0.7%	\$ 115.7	6.7%
Wastewater						
Labor	\$ 26.6	\$ 29.4	\$ 30.0	1.8%	\$ 31.3	4.4%
Benefits	\$ 17.6	\$ 19.4	\$ 18.7	-3.6%	\$ 19.8	6.1%
District-wide						
Labor	\$ 175.8	\$ 188.9	\$ 198.2	4.9%	\$ 207.6	4.8%
Benefits	\$ 117.6	\$ 128.5	\$ 127.1	-1.1%	\$ 135.5	6.6%
Grand Total	\$ 293.4	\$ 317.4	\$ 325.3	2.5%	\$ 343.1	5.5%

Includes cost of living adjustment.

Total labor and benefits are projected to be \$325.3 million in FY16, an increase of \$7.9 million or 2.5 percent, and \$343.1 million in FY17, an increase of \$17.8 million, or 5.5 percent in comparison with the prior fiscal years, respectively. Of the increase in FY16, labor costs will increase \$9.3 million, but are offset by a lower benefits budget of \$1.4 million. In FY17, an increase of \$9.4 million is attributable to labor costs and \$8.4 million to benefits.

A number of changes in the labor and benefits budget results in complex drivers that impact the budget. The increases in labor and benefits are driven by funding 81 additional positions primarily in the Water System to support capital-related projects compared to the prior biennial budget, and funding negotiated employee cost of living increases. These increases are offset by savings such as the time required to fill positions, and a lower benefit rate in the first year with a projected increase in the second year as described below.

The benefits budget comprises several drivers as mentioned earlier, the largest is the employer pension contribution followed by the health care expense. Benefit costs in FY16 are \$1.4 million

lower compared to the prior fiscal year primarily due to a decrease in the employer pension contribution rate as explained below. In FY17, benefit costs are anticipated to increase \$8.4 million due to projected increase in the employer pension contribution rate, cost of living adjustment and an anticipated increase in health care cost.

The FY16–17 budget builds upon past efforts to contain labor and benefit costs. The benefit cost increases are slower than previously projected. In 2012, pursuant to State legislation referred to as the California Public Employees’ Pension Reform Act (PEPRA), the Board of Directors implemented a significant reform of the District’s Employee Retirement System. With the implementation of PEPRA, new employees receive a significantly reduced pension benefit and fund a greater share of that benefit themselves. In addition, an escalating scale of employee’s share of retirement contributions was implemented with labor unions for existing represented employees and the compensation plan for unrepresented employees.

The following table shows the different employer pension contribution rates since fiscal year 2014. New employees that qualify under the PEPRA plan are part of the 2013 Plan and all other employees participate in the 1955/1980 plan. The FY16 contribution rate is lower than the prior year due to strong market returns on investments plus the increased employee contribution rate as mentioned earlier. The actual FY17 rate will not be available until it is calculated by the actuary and adopted by the Retirement Board in Winter 2016.

Employer Pension Contributions	2014	2015	2016
1955/1980 Plan	38.36%	38.61%	37.71%
2013 Plan	31.13%	32.24%	30.92%

In its continuing pursuit of cost containment, in addition to offering employees traditional health care plans, in calendar year 2015, the District implemented the option of a consumer-driven health plan (CDHP) paired with a health savings account (HSA). The premium rates are lower for a consumer-driven health plan than a traditional plan. The annual costs of the CDHP and HSA are anticipated to range up to four percent lower than current medical premium plan costs depending upon the health plan. The health benefit assumption utilized for this budget represents a cost increase range of 5 to 8 percent for FY16 and the same additional increase for FY17.

Operations and Capital

Depending upon the work being performed, labor and benefit costs are allocated to either operations or capital. The majority of these personnel costs are charged to the operations budget. Typical duties performed by employees that charge to the operations budget include pipeline system maintenance, meter maintenance, electrical / structural / mechanical maintenance, customer contact center support, managing watershed properties, and to water and wastewater treatment plant operations. Duties of employees that typically charge the capital budget include pipeline replacements, significant treatment plant upgrades or wastewater plant improvements.

As shown in the table below, labor and benefits are allocated between the operating and capital budgets. Of the total two-year budget, 75 percent of the District's labor and benefits budget is attributable to operations. The remaining portion, 25 percent, is attributable to the capital improvement program.

Labor and Benefits (\$ Millions)						
	FY14 Actual	FY15 Amended Budget	FY16 Adopted Budget	FY16 vs FY15	FY17 Adopted Budget	FY17 vs FY16
Water						
Operations	\$ 184.8	\$ 203.0	\$ 205.1	1.0%	\$ 216.5	5.6%
Capital	\$ 64.4	\$ 65.6	\$ 71.5	9.0%	\$ 75.5	5.5%
Wastewater						
Operations	\$ 36.5	\$ 39.0	\$ 39.4	1.0%	\$ 41.4	5.1%
Capital	\$ 7.7	\$ 9.8	\$ 9.3	-5.5%	\$ 9.7	4.8%
District-wide						
Operations	\$ 221.3	\$ 242.0	\$ 244.5	1.0%	\$ 257.9	5.5%
Capital	\$ 72.1	\$ 75.4	\$ 80.8	7.1%	\$ 85.2	5.4%
Grand Total	\$ 293.4	\$ 317.4	\$ 325.3	2.5%	\$ 343.1	5.5%

Includes cost of living adjustment.

Excludes the Administration of Capital overhead allocated from Operations to Capital.

The District-wide total operations labor and benefits budget will increase \$2.5 million, or 1 percent in FY16 and the capital budget will increase \$5.4 million, or 7.1 percent. The largest change is the Water System FY16 capital labor and benefits increase of \$5.9 million, or 9 percent which represents a significant shift compared to the prior budget, and is driven by funding 72 additional positions primarily to support various capital-related initiatives such as 10-to-40, Infrastructure Replacement and Technology Infrastructure in the Water System. The Wastewater System FY16 capital labor and benefits is 5.5 percent less than the prior fiscal year which reflects an increase in capital-related work of which more will be performed via contracts (e.g. initial consent decree implementation). In FY17, the District-wide operations budget will increase \$13.4 million, or 5.5 percent and capital will increase \$4.4 million, or 5.4 percent primarily due to projected increases for the employer pension contribution rate, cost of living adjustment, scheduled salary step changes, and an anticipated increase in health care cost.

SOURCES OF FUNDS

Operating expenses are funded by a group of revenues approved by the Board of Directors. Capital expenses are funded primarily by bond proceeds, which results in annual debt service payments, and rate revenue. The complete discussion of the types of operating and capital funding sources is included in the subsequent chapters on the Water System and the Wastewater System.

A summary 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.

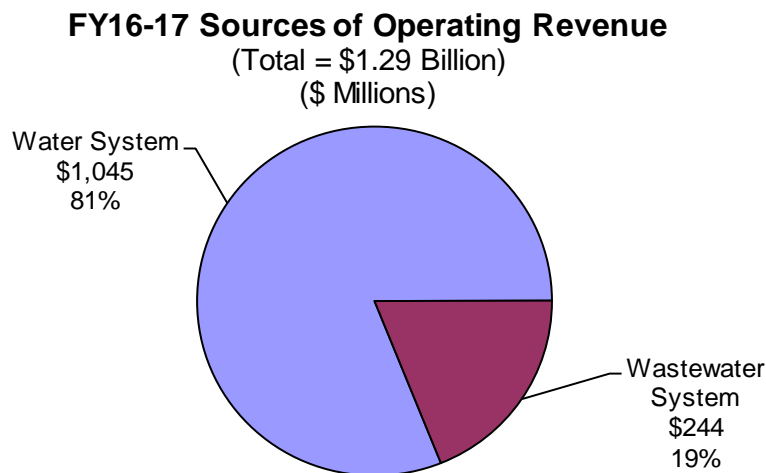
TOTAL SOURCES OF FY16-17 FUNDS					
(\$ Millions)					
WATER SYSTEM			WASTEWATER SYSTEM		
	FY16	FY17		FY16	FY17
Total Operating Revenues	505.2	539.5	Total Operating Revenues	119.3	124.5
Less Revenue Funded Capital	-99.6	-100.5	Less Revenue Funded Capital	-37.0	-14.6
Total Capital Funding Sources	224.5	236.1	Total Capital Funding Sources	39.0	36.7
Total Water Fund Sources	630.1	675.1	Total Wastewater Fund Sources	121.3	146.6
Total District Source of Funds:	FY16:	\$751.4	FY17:	\$821.7	

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 8.0 percent in FY16 and an additional 7.0 percent in FY17, and rate increases for the Wastewater System of 5.0 percent in FY16 and an additional 5.0 percent in FY17.

Water System and Wastewater System operating revenues totaling \$624.5 million are needed during FY16. Of this amount, \$505.2 million is for the Water System and \$119.3 million is for the Wastewater System.

Water System and Wastewater System operating revenues totaling \$664.0 million are needed for FY17. Of this amount, \$539.5 million is for the Water System and \$124.5 million is for the Wastewater System.



CAPITAL FUNDING SOURCES

Funding for the projects in the CIP is drawn from multiple sources including bonds, commercial paper, grants, reimbursements from other agencies, and current reserves and revenues. In accordance with the District's financial policies, the maximum percentage of capital funded from debt is 65 percent. As a result, a substantial portion of capital expenditures are funded on a pay-as-you-go basis which uses current and accumulated revenues rather than debt.

The FY16 and FY17 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 \$101.2 million in FY16 and \$108.9 million in FY17 in new revenue bonds for the Water System, combined with revenue funded capital of \$99.6 million in FY16 and \$100.5 million in FY17. Additional proceeds from grants and loans and reimbursements will make up the rest of the capital funding for the Water System.

For the Wastewater System, \$2.0 million in FY16 and \$22.1 million in FY17 in new revenue bonds, combined with \$37.0 million in FY16 and \$14.6 million in FY17 of revenue funded capital will be used to fund the CIP.

WATER AND WASTEWATER SYSTEM FUND SUMMARIES

The following tables summarize the fund balance, projected revenues and expenditures for the Water System and the Wastewater System. The tables include the information presented earlier in this chapter on the sources of funds and the uses of funds for operations, debt, and capital expenses. Please refer to the chapters entitled Water System and Wastewater System for detailed fund summaries.

Water System Fund Summary						
Operating and Capital Budgets						
(\$ Millions)						
	FY16			FY17		
	Operating	Capital	Fund Balance	Operating	Capital	Fund Balance
Fund Balance at Beginning of FY (Projected)	331.6	0.0	331.6	319.0	0.0	319.0
Sources of Funds						
Operating Revenues	505.2		505.2	539.5		539.5
Capital Sources		124.9	124.9	0.0	135.6	135.6
Revenue Funded Capital	<u>-99.6</u>	<u>99.6</u>	<u>0.0</u>	<u>-100.5</u>	<u>100.5</u>	<u>0.0</u>
Total Funds	405.6	224.5	630.1	439.0	236.1	675.1
Use of Funds						
Operations	248.3		248.3	262.2		262.2
Debt Service	169.9		169.9	180.2		180.2
Capital Cash Flow (includes Admin of Capital)		<u>224.5</u>	<u>224.5</u>		<u>236.1</u>	<u>236.1</u>
Total Expenditures	418.2	224.5	642.7	442.4	236.1	678.5
Ending Balance *	319.0	0.0	319.0	315.6	0.0	315.6

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

Wastewater System Fund Summary
Operating and Capital Budgets
(\$ Millions)

	FY16			FY17		
	Operating	Capital	Fund Balance	Operating	Capital	Fund Balance
Fund Balance at Beginning of FY (Projected)	87.9	0.0	87.9	71.1	0.0	71.1
Sources of Funds						
Operating Revenues	119.3		119.3	124.5		124.5
Capital Sources	0.0	2.0	2.0	0.0	22.1	22.1
Revenue Funded Capital	<u>-37.0</u>	<u>37.0</u>	<u>0.0</u>	<u>-14.6</u>	<u>14.6</u>	<u>0.0</u>
Total Funds	82.3	39.0	121.3	109.9	36.7	146.6
Use of Funds						
Operations	65.4		65.4	70.7		70.7
Debt Service	33.7		33.7	34.0		34.0
Capital Cash Flow (Includes Admin of Capital)		<u>39.0</u>	<u>39.0</u>		<u>36.7</u>	<u>36.7</u>
Total Expenditures	99.1	39.0	138.1	104.7	36.7	141.4
Ending Balance *	71.1	0.0	71.1	76.3	0.0	76.3

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

RATES, FEES AND CHARGES

OVERVIEW

An increase in Water and Wastewater rates and charges is necessary to provide funding for the FY16 and FY17 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

District water revenues are in large part dependent upon water usage. Due to customer water use reductions that have occurred in FY15, the assumed water consumption will be 151 million gallons per day (mgd) for FY16 and FY17. This is about 11.5 percent lower (\$22.4 million) than had been projected when the FY14 and FY15 budget was adopted. Helping to offset the reduced revenue from lower water sales are operating cost savings, lower benefits costs, and debt savings from refinancings.

Based on the budget for FY16 and the lower projected level of consumption, the updated revenue requirements for the Water System will be 1.6 percent higher in FY16 than those authorized for FY15. Revenue requirements for FY17 will be 6.8 percent higher than those authorized for FY16. 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. In addition to the 1.6 percent increase in the revenue requirements for FY16, a Stage 4 drought surcharge will be needed to fund the additional expenses and reduced water sales revenue expected during the Stage 4 drought.

Water Rates

To meet the revenue requirements for FY16 and FY17 with the lower projected consumption levels, overall water rate increases of 8 percent and 7 percent have been adopted for FY16 and FY17, respectively. In FY15, the District completed a cost of service study that resulted in adjustments to the water rate components. The cost of service adjustments, and the FY16 and FY17 rate increases, will apply to the water service charge, flow charge, private fire service charge, and elevation surcharge. In addition, a drought surcharge of approximately 25 percent on the volume charge for all potable water use will be added to FY16 water charges for the duration of the Stage 4 drought.

The Seismic Improvement Program surcharge ended in FY15 as the revenues collected were sufficient to cover the program expenses.

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, 2015.

For FY16, the average single-family residential customer that uses 246 gallons per day will see an increase in the monthly water bill of \$3.57, or 7.3 percent, excluding the drought surcharge, as illustrated in the following table. The drought surcharge adds an additional \$8.08 per month to the average single-family residential customer's bill for the duration of the Stage 4 drought.

For FY17, the average single-family residential customer that uses 246 gallons per day will see an increase in the monthly water bill of \$3.66 or 7.0 percent over FY16 water bills. Monthly water bills for other customers are also shown on the following table.

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

Customer Class and Meter Size	Single-Family Residential 5/8"	Multi-Family 5+ units 1"	Commercial 1"	Industrial 2"
	Average District-Wide			
Gals per day	246	1230	1230	12,300
Billing units (Ccf)	10	50	50	500
% of Customers with usage at or below	69%	84%	82%	99%
FY15 Current \$	\$48.60	\$217.54	\$225.08	\$2,046.68
FY16* Adopted \$	52.17	237.70	236.70	2158.48
Change \$	3.57	20.16	11.62	111.80
% Change	7.3%	9.3%	5.2%	5.5%
FY17* Adopted \$	55.83	254.24	253.24	2309.32
Change \$	3.66	16.54	16.54	150.84
% Change	7.0%	7.0%	7.0%	7.0%

*Excludes drought surcharges that may apply in FY16 and FY17

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 AVERAGE RESIDENTIAL WATER CHARGE HISTORY
MONTHLY BILLS FOR 10 CCF PER MONTH**

Fiscal Year	Monthly Bill (\$)	% Increase
2008	29.32	4.9
2009	30.81	5.1
2010	33.47	8.6
2011	35.99	7.5
2012	38.15	6.0
2013	40.45	6.0
2014	44.41	9.8
2015	48.60	9.4
2016*	52.17	7.3
2017*	55.83	7.0

*Excludes drought surcharges that may apply in FY16 and FY17

The following table is a comparison of FY15, FY16, and FY17 rates for various rate components.

**WATER SYSTEM
RATE COMPARISON**

Rate components	FY15 Current (\$/Mo)	FY16 Adopted (\$/Mo)	% Change	FY17 Adopted (\$/Mo)	% Change
Service charges					
5/8" and 3/4" meters	\$14.69	\$19.34	31.7%	\$20.69	7.0%
2" meter	55.66	83.48	50.0%	89.32	7.0%
4" meter	155.11	251.24	62.0%	268.83	7.0%
18" meter	1,851.73	3,112.86	68.1%	3,330.76	7.0%
Seismic surcharge - 5/8", 3/4" meters	1.37	0.00	n/a	0.00	n/a
Seismic surcharge - 2" meter	11.02	0.00	n/a	0.00	n/a
Seismic surcharge - 4" meter	34.40	0.00	n/a	0.00	n/a
Seismic surcharge - 18" meter	433.53	0.00	n/a	0.00	n/a
Seismic flat charges					
Seismic surcharge - single family res	1.37	0.00	n/a	0.00	n/a
Seismic surcharge - multi-family	6.46	0.00	n/a	0.00	n/a
Volume charges*					
Single family res - Tier 1	2.91	2.99	2.7%	3.16	5.7%
- Tier 2	3.60	4.06	12.8%	4.34	6.9%
- Tier 3	4.42	5.36	21.3%	5.74	7.1%
Multi family residential	3.68	4.17	13.3%	4.46	7.0%
Other (Commercial/Industrial)	3.81	4.15	8.9%	4.44	7.0%
Nonpotable/Reclaimed	3.17	3.23	1.9%	3.46	7.1%
Seismic surcharge - Other	0.15	0.00	n/a	0.00	n/a
Elevation charges					
Elevation band 2 / Ccf	0.55	0.60	9.1%	0.64	6.7%
Elevation band 3 / Ccf	1.12	1.24	10.7%	1.33	7.3%

*Does not include drought surcharges that may apply in FY16 and FY17.

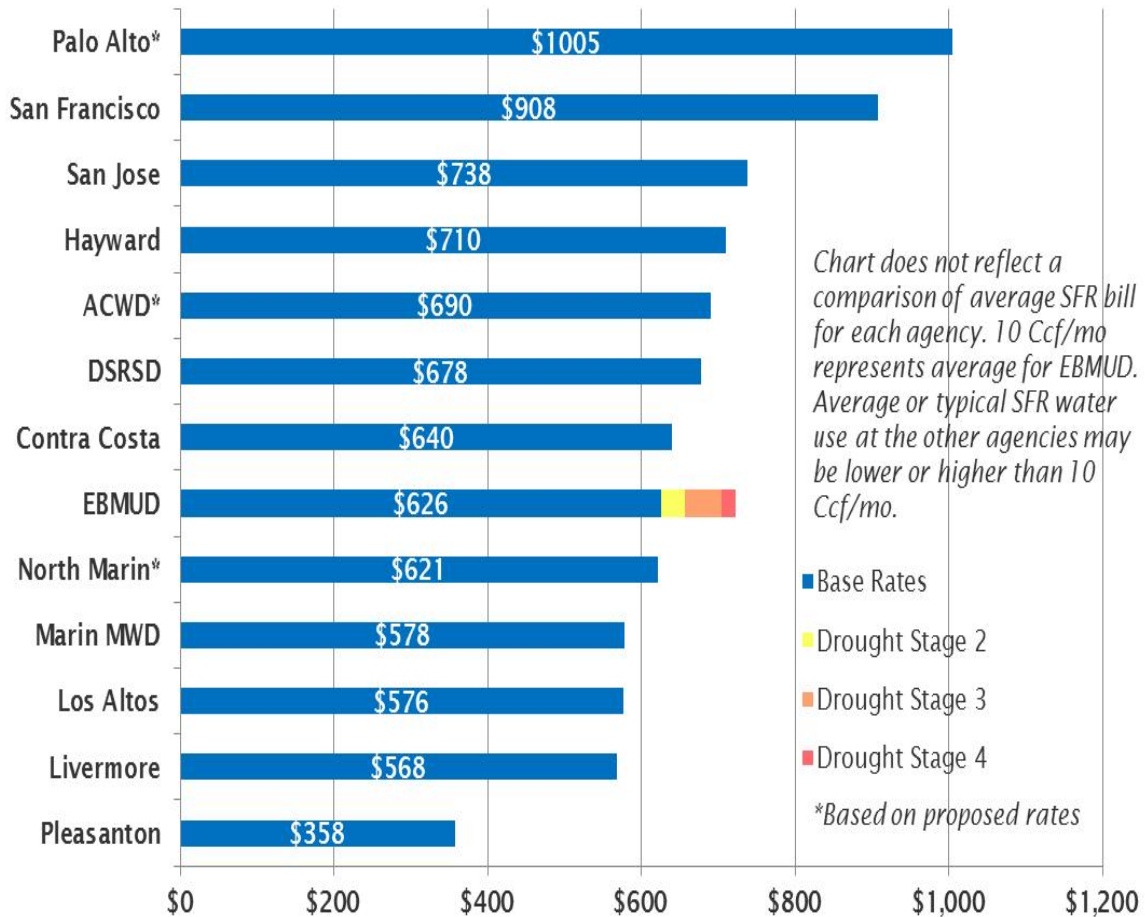
Volume charge breakpoints:

- 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 FY16 rates. Excluding the Stage 4 drought surcharge, the District is at or below the median of these other agencies.

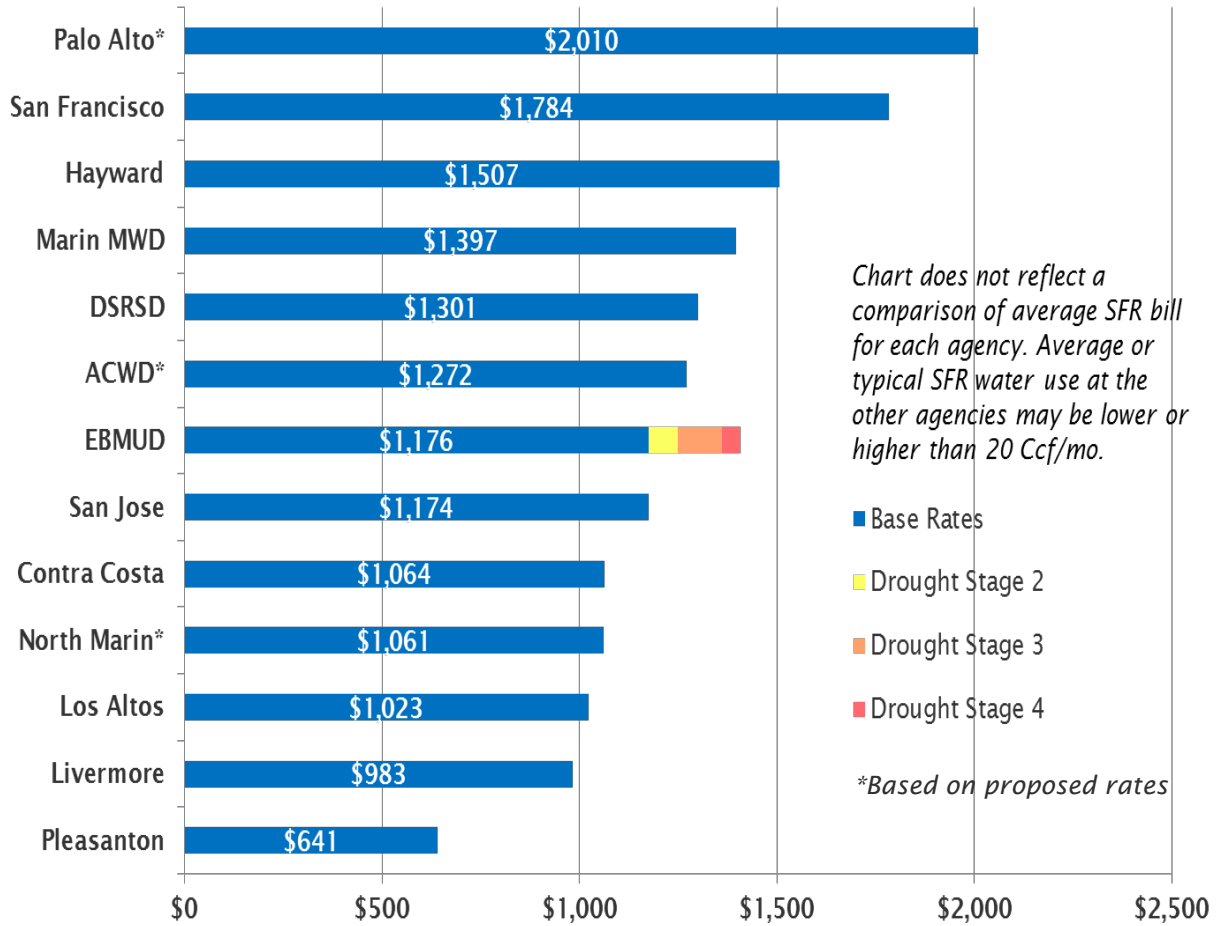
COMPARATIVE RESIDENTIAL WATER CHARGES

Annual Charges for 10 CCF/Mo – July 2015



COMPARATIVE RESIDENTIAL WATER CHARGES

Annual Charges for 20 CCF/Mo – July 2015



Water System Capacity Charges

There is a continuing need to construct both water supply and water distribution system improvements to assure that there will be reliable and secure water service for each new connection to the District's system. 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, an appropriate share of the costs of future water supply improvements was added to the SCC.

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 construction cost escalation for facilities that have already been built or increased cost estimates for facilities yet to be constructed and financed.

In FY08, the Board adopted the recommendations of the SCC Study performed by Bartle Wells Associates. The proposed FY16 SCC rates are based on updates to calculations from that study. The SCC charge consists of three components:

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

The District also has a Standard Participation Charge (SPC), a District-wide connection charge that is applicable to only a few remaining contracts for service entered into prior to 1983 and, 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 is calculated to recover 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 FY16, 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 FY16.

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 FY15			ADOPTED FY16		For Single Family Residential	
Region	Single Family	Non-Residential	Single Family	Non-Residential	Increase	% Increase
1	\$16,100	\$23,000	\$16,370	\$24,380	\$270	1.7%
2	\$27,830	\$41,360	\$28,410	\$42,220	\$580	2.1%
3	\$35,610	\$38,370	\$36,230	\$39,040	\$620	1.7%
3C	\$80,890	See Note 1	\$83,830	See Note 1	\$2,940	3.6%
3D	\$91,170	\$91,170	\$93,850	\$93,850	\$2,680	2.9%

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 \$1,991 per 100 gpd of consumption for each region;
2. Regional Buy-in Component that varies by region; and
3. FWS Component of \$1,870 per 100 gpd of consumption for each region. The FWS Component for Region 3C is \$577 per 100 gpd based on the 1993 Agreement with HCV & Associates Ltd., Wiedemann Ranch, Inc. and Sue Christensen.

Table 2 - Adopted FY16 Unit Charges \$/100 gpd					
Region	System-Wide Buy-In	Regional Buy-In	Special Regions Post 2000	Future Water Supply	Total
1	\$1,991	\$1,985	n/a	\$1,870	\$5,846
2	\$1,991	\$4,031	n/a	\$1,870	\$7,892
3	\$1,991	\$2,386	n/a	\$1,870	\$6,247
3C	\$1,991	\$1,791	\$6,457	\$577*	\$10,816
3D	\$1,991	\$1,791	\$6,457	\$1,870	\$12,109

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

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 Residential Connection (gpd)
1	280	400
2	360	535
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 “Special Region Post-2000” unit charge.

See the Biennial Report and Recommendation of the General Manager Fiscal Year 2016 - 2017 for additional details.

East Bay Municipal Utility District Distribution System SCC Regions



WASTEWATER SYSTEM

Wastewater Revenue - Overview

Wastewater revenues are in large part dependent upon volume of wastewater treated. Due to a reduction in the volume of wastewater treated in FY15 as customers reduced their water use, the assumed wastewater treatment revenue for FY16 and FY17 is about 4 percent lower (\$3.6 million) than had been projected when the FY14 and FY15 budget was adopted. Helping to offset the reduced treatment revenue are operating cost savings, lower benefits costs, debt savings from refinancings, and increased revenue from the resource recovery program.

Based on the budget for FY16 and the projected reduction in the level of wastewater treatment, revenue requirements for the Wastewater System will be 2.1 percent higher in FY16 than those authorized for FY15. Revenue requirements for FY17 will be 4.4 percent higher than those authorized for FY16. 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.

Wastewater Rates

Wastewater charges are composed of a treatment charge, a pollution prevention fee, and a Wet Weather Facilities Charge. To meet the revenue requirements for FY16 and FY17, overall wastewater rate increases of 5 percent and 5 percent have been adopted for FY16 and FY17, respectively. In FY15, the District completed a cost of service study that resulted in adjustments to the wastewater rate components. The cost of service adjustments, and the FY16 and FY17 rate increases, will apply to the treatment service charge, flow charge and strength charge and the wet weather facilities charge. There is no increase to the pollution prevention fee for FY16 and FY17.

As a result of the cost of service adjustments and the FY16 overall rate increase, the average single family residential customer that discharges 6.0 Ccf per month will see a monthly wastewater treatment charge (including the SF Bay Residential Pollution Prevention Fee) decrease of 1.3 percent, from \$19.25 to \$19.01. 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, 2015. Overall, the treatment charges for the commercial and industrial customer classes will increase by approximately 10.0 percent based on the cost of service adjustments and the FY16 overall rate increase. For FY16, the Wet Weather Facilities Charge collected on the property tax bill will be charged based on the square footage of each customer's lot. The Wet Weather Facilities Charge for small lots up to 5,000 square feet will be \$89.62 per year, medium lots between 5,001 to 10,000 square feet will be \$140.00 per year, and large lots over 10,000 square feet will be \$320.00 per year.

The FY17 overall increase for Wastewater Treatment charges is 5 percent. The average single family residential customer that discharges 6.0 Ccf per month will see a monthly wastewater treatment charge increase of 4.8 percent from \$19.01 to \$19.93. Overall, the treatment charges for the commercial and industrial customer classes will increase by approximately 5 percent. For FY17, the Wet Weather Facilities charge collected on the property tax bill based on lot size will increase 5 percent.

**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 \$	19.25
FY16 Adopted \$	19.01
Change \$	-0.24
% Change	-1.3%
FY17 Adopted \$	19.93
Change \$	0.92
% Change	4.8%

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 AVERAGE RESIDENTIAL SEWER CHARGE HISTORY
TOTAL ANNUAL CHARGES**

(Treatment charge, Wet Weather Facilities Charge*, and SF Bay Residential Pollution Prevention Fee)

Fiscal Year	Total Average Annual Wastewater Charge (\$)	% Increase
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%
2016	317.74	-0.8%
2017	333.26	4.9%

*Wet Weather Facilities Charge collected on the property tax bill; assumes under 5,000 square foot lot

The following table contains the treatment charge rate components. Actual treatment rates for commercial and industrial customers are rounded to the whole cent.

**WASTEWATER SYSTEM
TREATMENT RATE COMPARISON**

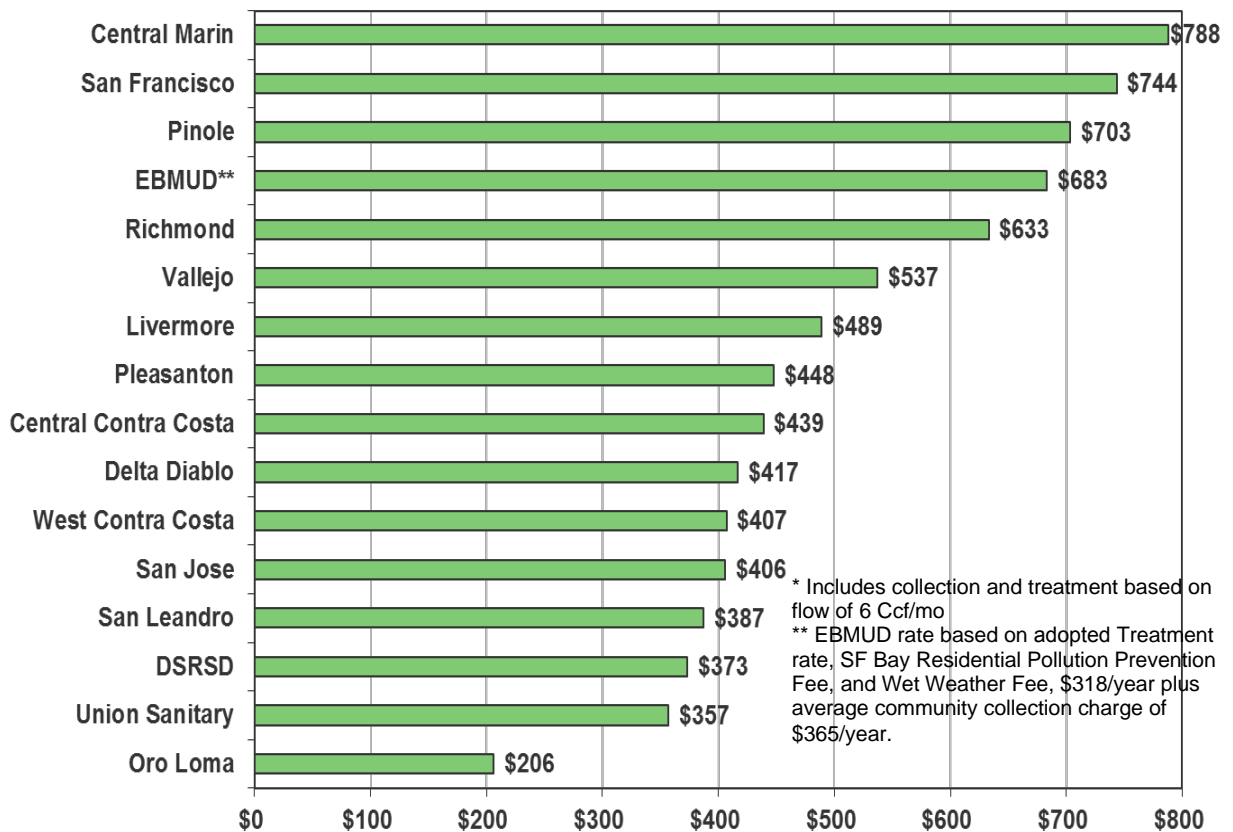
Rate components	FY15 Current (\$)	FY16 Adopted (\$)	% Change	FY17 Adopted (\$)	% Change
Charge per Ccf of flow	0.787	1.033	31.2%	1.085	5.0%
Charge per pound of discharge – CODf	0.294	0.306	4.1%	0.321	4.9%
Charge per pound of total suspended solids	0.431	0.447	3.7%	0.469	4.9%
Monthly service charge	7.13	5.29	-25.8%	5.55	4.9%
Strength charge per residential dwelling unit*	7.20	7.28	1.1%	7.64	4.9%

*Based on standard strength of 7.7 lbs of CODf and 11.0 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; other local collection system agencies provide 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 FY16 Wastewater charges for the average single family residential customers is \$318 annually, which includes treatment charges on the water bill of \$228 and the Wet Weather Facilities Charge on the property tax bill of \$90.

COMPARATIVE RESIDENTIAL WASTEWATER CHARGES

Annual Charges* – July 2015



Wastewater System Capacity Fees

The Wastewater Capacity Fee (WCF) was established in 1984 to recover costs for providing wastewater treatment capacity for new or expanded system use. The WCF is based on a “buy-in” or an equity approach whereby new users “buy-in” to a wastewater system that has adequate capacity to serve both existing demands and new growth. The wastewater system capacity is expressed in terms of wastewater flow volume (flow) and strength factors including chemical oxygen demand filtered (CODF) and total suspended solids (TSS). The WCF applies to all dischargers who increase wastewater volume or strength.

For example, an additional capacity fee may be required to be paid if a property is developed and connects to the wastewater system, changes use or is redeveloped and increases the volume or strength of the wastewater it discharges, or a flow review has been completed by the District and demonstrates that the volume and/or strength of the wastewater discharged from a non-residential property has significantly increased or is greater than anticipated at the time a WCF was first paid.

The WCF is calculated based on the anticipated flow contributions multiplied by the average wastewater strength measured or assigned for each classification of customer and the unit capacity rates for flow and strength factors. For non-residential customers, a review of the actual flow and strength may be conducted 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.

For FY16, the Wastewater Capacity Fee was adjusted for the third year of the 5-year phase-in of the revised WCF calculations approved by the Board in 2013 and updates for the construction of additional facilities and construction cost escalations.

Adopted Wastewater Capacity Fee Increases

The adopted FY16 Wastewater Capacity Fee unit capacity rates and the SFR fee are shown in the following table.

UNIT CAPACITY RATES

Unit Capacity Rate	Current	FY16 PHASED-IN YR 3	% Increase
Flow / Ccf / Month	\$121.97	\$139.19	14.1%
CODF / lbs / Month	\$30.34	\$38.20	25.9%
TSS / lbs / Month	\$48.77	\$55.41	13.6%
Single Family Connection Charge	\$1,607	\$1,860	15.7%

CHAPTER 3: WATER SYSTEM

This chapter provides a detailed description of the Water System sources of funds, uses of funds, department operations budgets including staffing, capital expenditures and a Five-Year Financial Forecast.

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 addition, the Water System provides administrative, financial, and other support services to the Wastewater System. These costs are charged to the Wastewater System.

INTRODUCTION

This chapter is organized into the following sections:

Pages 83 - 170 A detailed description of the FY16-17 budget including sources of revenues and uses of funds for operations, debt financing, and capital programs. This section also includes detailed department budgets.

Pages 171 - 177 A five-year-forecast of the Water System projected revenues and expenditures for operations, debt financing, and capital programs.

FY16-17 BUDGET

The following are key projections and assumptions utilized in the FY16 and FY17 budget.

WATER SYSTEM FUND – KEY ASSUMPTIONS		
	FY16	FY17
Projected Sales Volume (mgd)	151.0	151.0
% Rate Increase	8.0%	7.0%
Average monthly single family residential bill (\$) based on 10 ccf/month	\$52.17	\$55.83

FUND SUMMARY

The fund summary illustrates the beginning and ending fund balances as well as revenues, expenditures, and other financing sources/uses. The following table shows the fund balance, and projected revenues and expenditures for the Water System for FY16 and FY17. The table is an expansion of the Water System Fund Summary table presented at the end of Chapter 2.

Water System Fund Summary
Operating and Capital Budgets
(\$ Millions)

	FY16			FY17		
	Operating	Capital	Fund Balance	Operating	Capital	Fund Balance
Fund Balance at Beginning of FY (Projected)	331.6	0.0	331.6	319.0	0.0	319.0
Sources of Funds						
Operating Revenues						
Water Charges	422.8		422.8	453.0		453.0
Property Taxes	24.5		24.5	25.1		25.1
Power Sales	3.5		3.5	3.5		3.5
Interest Income	1.7		1.7	3.3		3.3
SCC Revenue	24.6		24.6	26.0		26.0
Reimbursements	10.9		10.9	11.2		11.2
All Other Revenue	<u>17.2</u>		<u>17.2</u>	<u>17.4</u>		<u>17.4</u>
Operating Revenues	505.2		505.2	539.5		539.5
Capital Funding Sources						
Commercial Paper Issues		0.0	0.0		0.0	0.0
New Bond Proceeds		101.2	101.2		108.9	108.9
Grants and Loans Proceeds		2.5	2.5		1.8	1.8
Reimbursements		<u>21.2</u>	<u>21.2</u>		<u>24.9</u>	<u>24.9</u>
Capital Sources		124.9	124.9		135.6	135.6
Revenue Funded Capital	<u>-99.6</u>	<u>99.6</u>	<u>0.0</u>	<u>-100.5</u>	<u>100.5</u>	<u>0.0</u>
Total Funds	405.6	224.5	630.1	439.0	236.1	675.1
Use of Funds						
Operations	248.3		248.3	262.2		262.2
Debt Service	169.9		169.9	180.2		180.2
Capital Cash Flow (includes Admin of Capital)		<u>224.5</u>	<u>224.5</u>		<u>236.1</u>	<u>236.1</u>
Total Expenditures	418.2	224.5	642.7	442.4	236.1	678.5
Ending Balance *	319.0	0.0	319.0	315.6	0.0	315.6

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

FY 2016 AND FY 2017 BUDGET

SOURCES OF FUNDS

Operating expenses are funded by a group of revenue sources approved by the Board of Directors. Capital expenses are funded primarily by a combination of bond issues, which results in annual debt service payments, and operating revenue.

The table below displays the amounts to be collected from revenue sources and shows the amounts that are expected to be received to fund the capital program for the Water System.

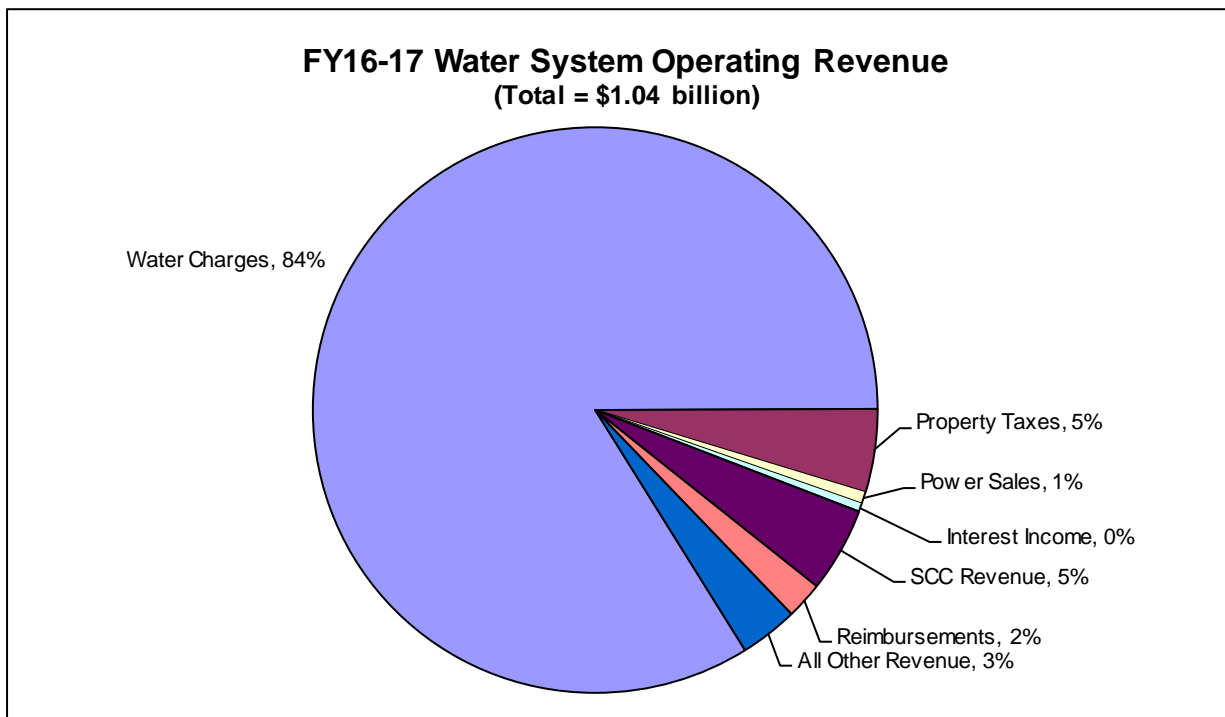
WATER SYSTEM SOURCES OF FUNDS				
(\$ Millions)				
	FY14 Actuals	FY15 Amended Budget	FY16 Adopted Budget	FY17 Adopted Budget
Operating Revenues:				
Water Charges	367.0	391.8	422.8	453.0
Seismic Surcharges	22.6	24.6	0.0	0.0
Property Taxes	25.5	23.8	24.5	25.1
Power Sales	1.3	5.7	3.5	3.5
Interest Income	1.5	4.0	1.7	3.3
SCC Revenue	20.5	23.3	24.6	26.0
Reimbursements	10.9	10.5	10.9	11.2
All Other Revenue	<u>24.0</u>	<u>16.5</u>	<u>17.2</u>	<u>17.4</u>
Total Operating Revenues	473.3	500.2	505.2	539.5
Revenue Funded Capital	-81.0	-85.6	-99.6	-100.5
Capital Funding Sources:				
Revenue Funded Capital	81.0	85.6	99.6	100.5
Commercial Paper Issues	0.0	0.0	0.0	0.0
New Bond Proceeds	84.1	0.0	101.2	108.9
Grants and Loans Proceeds	0.0	0.9	2.5	1.8
Reimbursements	<u>24.5</u>	<u>15.5</u>	<u>21.2</u>	<u>24.9</u>
Total Capital Funding Sources	189.6	102.0	224.5	236.1
Total Water Sources	581.9	516.6	630.1	675.1

Operating Revenue

Water System operating revenues for FY16 are projected to increase overall by \$5.0 million, or 1 percent compared to the amount budgeted for FY15 for a total of \$505.2 million. Reduced customer demand in FY16 due to voluntary reductions has resulted in less consumption than budgeted in FY15. The 8 percent increase in water rates will increase water charges and seismic surcharge revenue by \$6.4 million over the FY15 budgeted revenue. There is no seismic surcharge revenue in FY16 and FY17. The source descriptions section further details the changes to seismic surcharges. The FY16 property tax revenues are projected to be \$0.7 million or 2.9 percent more than the FY15 budgeted amount.

In FY17, Water System revenues are projected to increase by \$34.3 million, or 6.8 percent for a total of \$539.5 million. This increase is comprised primarily of \$30.2 million from water charges from a 7 percent water rate increase, and \$1.6 million in slightly higher interest income.

The figure below illustrates the various sources of revenue and the relative percentage each contributes to the total. Water charges revenue is the largest source of revenue for EBMUD comprising 84 percent of FY16-17 total revenues.



The following pages provide more detail on each of the revenue categories.

SOURCE DESCRIPTIONS

Operating Revenue

The following are descriptions of the eight sources of operating revenue, including information about the projected revenues for FY16-17.

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 overall water charges will increase by 8 percent in FY16 and an additional 7 percent in FY17.

FY16 Revenue (\$ Millions)			FY17 Revenue (\$ Millions)		
	<u>Amount</u>	<u>% of Total</u>		<u>Amount</u>	<u>% of Total</u>
Monthly Service Charge	117.5	27.8	Monthly Service Charge	126.1	27.8
Volume Charge	282.7	66.9	Volume Charge	302.8	66.8
Elevation Charge	22.6	5.3	Elevation Charge	24.1	5.3
Total	422.8	100.0	Total	453.0	100.0

FY16 water charges are projected to increase by \$6.4 million, for a total of \$422.8 million, or 1.5 percent over the FY15 budgeted revenue of \$416.4 million (water revenue and seismic surcharge revenue), due to reduced customer demand and the 8 percent rate increase. FY17 water charges are projected to increase by \$30.2 million, for a total of \$453.0 million, or 7.1 percent over the FY16 projected water charges revenue.

Seismic Surcharge

The Seismic Improvement Program (SIP) surcharge was implemented in 1994 to fund the District's SIP. The objective of the program was to ensure that water service would be available after a seismic event to meet fire safety needs and to provide continued service to residential, commercial and industrial customers. The charge was anticipated to be in place through February 2025, but as a result of lower than expected construction costs, lower than expected financing costs, and higher revenues than anticipated, by the end of fiscal year 2015 the District will have collected sufficient funds from the SIP surcharge to cover project costs. Accordingly, fiscal year 2015 will be the last year that the District levies the seismic surcharge. No seismic surcharge revenues are being budgeted for FY16 or FY17.

Property Taxes

The District receives a portion of the 1 percent 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 1.25 percent of the total monies collected. For FY16, property tax revenue of \$24.5 million is based upon FY14 actual property tax receipts reduced to reflect both one-time property tax revenues from the dissolution of redevelopment agencies within the District's boundaries and for the portion of property tax revenues which fund the District's low income customer assistance program. Revenues for FY17 are \$25.1 million or a 2.4 percent increase over FY16.

Power Sales

The District operates power generation facilities at the Pardee and Camanche Dams. For FY16 and FY17, projected as years of normal precipitation but starting with low reservoir levels from recent drought conditions, the District expects to earn approximately \$3.5 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 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 FY16 is projected to be \$1.7 million, a \$2.3 million decrease from FY15 due to significantly lower interest rates than assumed for the FY15 budget. For FY17 interest income is projected to be \$3.3 million, a \$1.6 million increase from FY16 due to slightly higher projected interest rates. Interest rates are assumed to be ½ percent in FY16 and 1 percent in FY17.

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 FY16 is projected at \$24.6 million which is a \$1.3 million increase from the amount budgeted for FY15. This increase is based on an assumption that the number of new applicants will continue to grow from the FY15 levels. FY17 SCC revenue is projected at \$26.0 million, a \$1.4 million increase from FY16.

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 FY16 and FY17 are projected at \$10.9 million and \$11.2 million respectively. FY16 is set at the FY14 actuals; FY17 assumes a 3% inflation rate.

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, reimbursement of operating expenses from start up of the Richmond Advanced Recycled Expansion (RARE) project and other miscellaneous revenues. All other revenues are projected at \$17.2 million for FY16 and \$17.4 million for FY17. FY16 is set at the FY14 actuals less one-time sales; FY17 assumes a 3% increase in revenue from RARE and a 2% increase in revenue from recreation fees.

Capital Funding

The following are descriptions of the five sources of capital funding. The FY16 and FY17 capital improvement program will be funded with bond proceeds, water revenues, reimbursements, and grants. It is anticipated that the District will issue \$210 million in new revenue bonds in FY16 and FY17, combined with revenue and reserve funded capital of \$99.6 million in FY16 and \$100.5 million in FY17.

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

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 pursues 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 are paid from operating revenues, either from current year revenues or from reserves.

USE OF FUNDS

The Water System has three types of expenditures:

Operations, or the annual costs of providing all water services

Debt service, or the repayment of bonds for making capital investments in the water system

Capital cash flow, or 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.

The following table shows the breakdown of expenses for operations, debt service, and capital programs.

USE OF FUNDS				
(\$ Millions)				
	FY14 Actuals	FY15 Amended Budget	FY16 Adopted Budget	FY17 Adopted Budget
Operations	226.7	247.5	248.3	262.2
Debt Service	142.3	163.2	169.9	180.2
Capital Cash Flow (includes Admin of Capital)	<u>189.6</u>	<u>195.9</u>	<u>224.5</u>	<u>236.1</u>
Total Expenditures	558.6	606.6	642.7	678.5

OPERATIONS

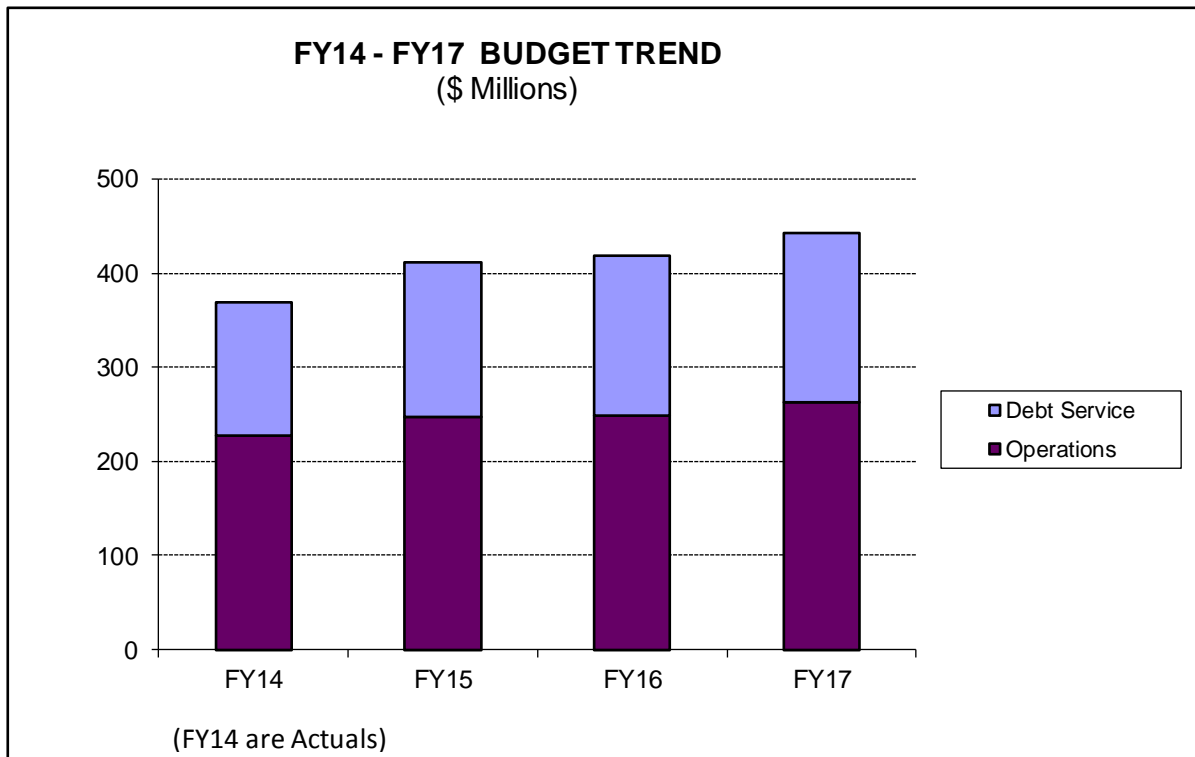
This section contains charts and tables which explain the major components of the Water System operations budget. Typical operations expenditures include, but are not limited to, labor, benefits, chemicals, energy, fleet vehicle costs, and computer hardware and software.

The operations budget is also shown by department. The details of each staffed department include a discussion of services provided, significant budget changes, and staffing and position changes.

The chart below details the operations and debt service budget for FY16-17.

(\$ Millions)	FY14 Actuals	FY15 Amended Budget	FY16 Adopted Budget	FY16 vs FY15	FY17 Adopted Budget	FY17 vs FY16
Operations	226.7	247.5	248.3	0.3%	262.2	5.6%
Debt Service	142.3	163.2	169.9	4.1%	180.2	6.1%
Total	369.0	410.7	418.2	1.8%	442.4	5.8%

The operations and debt service budget is increasing in FY16 by \$7.5 million or 1.8 percent over the FY15 amended budget and in FY17 by \$24.2 million or 5.8 percent compared to FY16.



DEPARTMENT OPERATIONS BUDGETS

The operations portion of the Water System budget is divided into various departments. The majority of these departments are referred to as staffed departments indicating employees are assigned to work in these areas. The staffed department budget funds the day-to-day operations of the District, and include funding for labor, benefits, outside contract services and other non-labor expenses such as electricity, chemicals, fuel, computer hardware, self-insured liability claims, and workers compensation claims. A detailed description of each staffed department is included later in this chapter.

A small number of departments do not have personnel assigned to them and are referred to as non-staffed departments. The impact on the budget by each of these departments varies:

Contingency - Funds budgeted each fiscal year to primarily cover projected labor-related expenses such as the employee cost of living adjustment which is based upon each year's February CPI-W (Consumer Price Index for Urban Wage Earners and Clerical Workers) in the San Francisco-Oakland-San Jose area. The index is published in March of each year.

Intradistrict - Certain internal service accounts, or clearing accounts, are included in balance sheets to assure that internal expenses are not counted twice within the operations budget. Examples of these accounts include warehouse stores loading overhead and fleet vehicle expenses.

Administration of Capital - The administration of capital represents those costs that are not directly attributable to specific capital projects but are more generalized indirect support of the Capital Improvement Program (CIP). The administration of capital in the operations budget will decrease operating expenses by a like amount and reallocate the costs to the capital budget.

The following table presents the total FY16-17 Water System operations budget by department.

Operations Budget by Department						
(\$ Thousands)						
DEPARTMENTS	FY14 Actuals	FY15 Amended Budget	FY16 Adopted Budget	% change vs FY15	FY17 Adopted Budget	% change vs FY16
Operations & Maintenance Support	16,827	17,076	17,321	1.4%	17,726	2.3%
Maintenance & Construction	82,741	87,771	88,391	0.7%	90,074	1.9%
Water Operations	54,319	53,720	52,538	-2.2%	53,989	2.8%
Water Resources	6,370	7,656	7,482	-2.3%	7,768	3.8%
Natural Resources	13,859	14,570	14,632	0.4%	14,895	1.8%
Engineering & Construction	14,283	16,528	16,270	-1.6%	16,578	1.9%
Office of the General Manager	5,103	5,877	5,554	-5.5%	6,037	8.7%
Finance	22,018	25,389	25,039	-1.4%	25,302	1.1%
Information Systems	23,492	23,184	25,793	11.3%	26,392	2.3%
Customer & Community Services	17,959	19,120	18,666	-2.4%	19,083	2.2%
Human Resources	8,568	9,742	9,377	-3.7%	9,452	0.8%
Office of the General Counsel	4,815	4,872	4,489	-7.9%	4,515	0.6%
Water Recycling Program	4,960	4,831	5,162	6.9%	5,262	1.9%
Administration	609	587	356	-39.3%	356	0.0%
Subtotal Staffed Departments	275,922	290,923	291,071	0.1%	297,429	2.2%
Contingency	1,316	2,863	8,793		16,503	
Intradistrict	(11,702)	(11,270)	(11,600)	2.9%	(11,700)	0.9%
Net Department Expense	265,536	282,516	288,264	2.0%	302,232	4.8%
Less: Administration of Capital	(38,762)	(35,000)	(40,000)	14.3%	(40,000)	0.0%
Subtotal Operations Expenses	226,775	247,516	248,264	0.3%	262,232	5.6%
Plus: Debt Service	142,256	163,213	169,894	4.1%	180,191	6.1%
TOTAL BUDGET	369,031	410,729	418,158	1.8%	442,423	5.8%

The FY15 amended staffed department budgets include a cost of living adjustment.
Totals may not foot due to rounding.

The FY15 amended budget includes a carry forward of approximately \$0.6 million from FY14 which is within the total two-year appropriations approved by the Board.

Department Operations Budget Highlights

The Water System is comprised of fourteen staffed departments that perform all aspects of Water System operations and provide support functions to the Water System and the Wastewater system. As mentioned in Chapter 2, the Water System total budget is 4.5 times greater than the Wastewater System. This section details the various departments including the labor and non-labor budgets, department goals and staffing.

Labor and Benefits

Labor and benefits are allocated between staffed departments and contingency for cost of living adjustments. Cost of living adjustments are not shown in the staffed department's FY16-17 labor and benefits budget since it is based on the CPI-W index and the amount is not known until the index is published annually. Once the index is published, and if funds are needed, contingency would be transferred to departments. The details of each department's labor and benefits budget is shown later in this chapter.

The below table is a summary of Water System operations department's labor and benefits, which excludes the Administration of Capital overhead allocated from Operations to Capital.

Total Staffed Departments Labor and Benefits Itemized (\$ Thousands)						
Category	FY14 Actuals	FY15 Amended Budget	FY16 Adopted Budget	FY16 vs FY15	FY17 Adopted Budget	FY17 vs FY16
Labor	147,859	157,046	160,673	2.3%	162,805	1.3%
Benefits	<u>100,038</u>	<u>108,591</u>	<u>104,655</u>	-3.6%	<u>108,006</u>	3.2%
Total Labor and Benefits	247,897	265,637	265,329	-0.1%	270,811	2.1%
Less: Capital Labor and Benefits	<u>(64,409)</u>	<u>(65,493)</u>	<u>(69,053)</u>	5.4%	<u>(70,790)</u>	2.5%
Operating Labor & Benefits	183,488	200,143	196,276	-1.9%	200,021	1.9%

In FY16, labor increases \$3.6 million and benefits decrease \$3.9 million compared to the prior fiscal year. Operating labor and benefits decreased by \$3.9 million in FY16.

These changes are attributable to:

- Funding 72 additional positions primarily to support capital-related projects, and
- Offsets such as a projected savings to account for the time required to fill positions given the considerable number of retirements and vacancies that are expected, overall lower salaries in comparison to the prior biennial budget due to the significant number of new employees with salaries lower than the employees they replaced, and lower benefit rates than the prior biennial budget.

In FY17, total labor increased \$2.1 million and benefits \$3.4 million compared to FY16. Operating labor and benefits increased \$3.7 million in FY17. These changes are attributable to:

- Projected increase in the employer pension contribution rate, and an anticipated increase in health care cost, and salary step increases, and
- Offsets such as a projected savings to account for the time required to fill positions given the considerable number of retirements and vacancies that are expected, and overall lower salaries in comparison to the prior biennial budget due to the significant

number of new employees with salaries lower than the employees they replaced.

Non-labor

In FY16, staffed department costs increased \$4.0 million or 4.4 percent compared to the prior fiscal year. The major drivers accounting for the increase compared to FY15 include:

- Computer hardware and equipment increased \$1.7 million to fund the systematic replacement of computer hardware,
- Chemicals increased \$1.2 million primarily to cover cost increases and adding lime upcountry to raise the pH level,
- Vehicle use charges increased \$0.6 million as the cost of operating, maintaining and replacing vehicles and equipment is increasing after several years of deferred replacements,
- Telephone expense increased \$0.6 million due to an increase in the use of cellular and wireless equipment,
- Computer software increased \$0.5 million as cost for existing software maintenance is increasing and for new software for GIS and project management,
- Disbursements to outside agencies for a \$0.4 million payment related to the federal Central Valley Project water contract,
- Additional increases of approximately \$1.5 million for specialized outside services, small tools, vehicle/equipment parts and materials, pipe, metal, and treatment, and charges from the Wastewater System total,
- Fees and licenses decreased \$0.3 million as there will be no Board election fees in FY16, and
- Energy decreased \$2.2 million due to a lower volume of water sales projected and a corresponding reduction in water distribution pumping.

In FY17, staffed department costs increased \$2.6 million or 2.7 percent compared to FY16. The major cost drivers accounting for the increase compared to FY17 include:

- Vehicle use charges increased \$0.7 million as the cost of operating, maintaining and replacing vehicles and equipment is increasing after several years of deferred replacements,
- Fees and licenses increased \$0.5 million for Board election fees,
- Energy increased \$0.5 million as water sales are expected to stabilize and the cost of energy is assumed to increase, and
- Additional increases for costs such as chemicals, telephones, District laboratory services, spoils/sludge disposal, property insurance, and other miscellaneous accounts totaling approximately \$0.9 million.

Department Operations by Budget Category

The chart below depicts the Water System staffed departments operations by category. It does not include capital labor, however, capital labor by department is shown later in this chapter.

FY16-17 DEPARTMENT OPERATIONS BY CATEGORIES								
(\$ Thousands)								
Department	FY16				FY17			
	Labor	Contract Services	All Other	Total Budget	Labor	Contract Services	All Other	Total Budget
Operations & Maintenance	9,293	3,182	4,846	17,321	9,449	3,218	5,059	17,726
Maintenance & Construction	63,486	2,382	22,523	88,391	64,705	2,409	22,960	90,074
Water Operations	29,164	891	22,483	52,538	29,882	892	23,215	53,989
Water Resources	5,857	161	1,465	7,482	6,138	116	1,514	7,768
Natural Resources	8,822	2,821	2,989	14,632	8,962	2,870	3,063	14,895
Engineering & Construction	15,205	123	942	16,270	15,477	125	976	16,578
Office of General Manager	4,747	241	565	5,554	4,827	145	1,065	6,037
Finance	14,379	1,329	9,330	25,039	14,547	1,336	9,419	25,302
Information Systems	17,308	968	7,517	25,793	17,641	994	7,757	26,392
Customer & Community Svcs	15,443	265	2,959	18,666	15,751	327	3,005	19,083
Human Resources	7,451	1,273	653	9,377	7,487	1,276	690	9,452
Office of General Counsel	3,503	750	235	4,489	3,529	750	236	4,515
Water Recycling Program	1,616	52	3,494	5,162	1,627	52	3,583	5,262
Administration	0	0	356	356	0	0	356	356
TOTAL	196,276	14,438	80,358	291,071	200,021	14,509	82,900	297,429

Totals may not foot due to rounding.

Staffed Department Descriptions

The next section describes each of the staffed departments and includes the following topics:

Overview provides an overall statement about the key responsibilities of the department that places it within the larger mission of the District as a whole.

Description of Services Provided describes the responsibilities of the department, broken down by unit (division) or by function, including services required to meet regulatory or legal requirements.

FY16-17 Goals highlights the highest priority tasks or projects related to the budget, and places these in the context of the overall District Strategic Plan.

Department Budget Summary is a reference table that shows the Department's operating budget expenditures by category (Labor and Benefits, Contract Services, All Other Costs). It also includes capital labor for the Department to give a more complete picture of departmental expenses.

Budget Highlights shows changes in cost relative to the previous fiscal year and describes reasons for those changes. This section focuses on the significant budget changes regardless of whether they are operational priorities for the department.

Staffing Summary is a reference table that includes both the total head count for the department by appointment type (full-time, part-time, etc), and the Full-Time Equivalency (FTE) based on the number of positions of each appointment type.

Position Changes is a section included only for departments that have position changes that require Board approval. It includes a table that enumerates position changes, followed by a brief description of the 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.

The following guide lists each department by name, the divisions within each department, and includes the page number to locate each department in this chapter.

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OPERATIONS AND MAINTENANCE SUPPORT DEPARTMENT

OVERVIEW

The Operations and Maintenance Support Department is responsible for managing and improving the water system infrastructure, processes and assets, and providing District-wide support and leadership in regulatory compliance, emergency preparedness and facility security.

DESCRIPTION OF SERVICES PROVIDED

The department contains the Water Quality program and Asset Management program, which develops and maintains work management systems for field operations and staff. It also contains the Regulatory Compliance Office, which provides security services, environmental compliance guidance and assistance, emergency preparedness support and workplace health and safety support to the entire District, and is also responsible for physical plant engineering services.

FY16-17 GOALS

The department has primary responsibility for leading the Water Quality and Environmental Protection Strategic Plan goal. Key department goals include:

- Supporting national efforts to identify N-Nitrosodimethylamine (NDMA) precursors in source, treated, and distributed water,
- Developing effective asbestos cement distribution pipe management strategies,
- Completing the upgrade of all required vehicle diesel emissions control devices, and
- Supporting the accelerated pipeline infrastructure renewal capital program.

DEPARTMENT BUDGET SUMMARY

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

Category (\$ Thousands)	FY14 Actuals	FY15 Amended Budget	FY16 Adopted Budget	FY16 vs FY15	FY17 Adopted Budget	FY17 vs FY16
Total Labor and Benefits	9,389	9,670	9,688	0.2%	9,849	1.7%
Less: Capital Labor and Benefits	(647)	(277)	(395)	42.3%	(401)	1.5%
Operating Labor and Benefits	8,742	9,392	9,293	-1.1%	9,449	1.7%
Contract Services	3,000	3,111	3,182	2.3%	3,218	1.1%
All Other Costs	5,085	4,572	4,846	6.0%	5,059	4.4%
Operating Total	16,827	17,076	17,321	1.4%	17,726	2.3%

BUDGET HIGHLIGHTS

The department's operating budget is increasing in FY16 by \$0.2 million or 1.4 percent compared to FY15, and in FY17 is increasing by approximately \$0.4 million or 2.3 percent compared to the prior fiscal year. Significant budget changes include:

FY16

Total labor and benefits costs are essentially flat compared to FY15, while operating labor and benefits are decreasing \$0.1 million primarily due to a lower fringe benefit rate and a higher offset to account for the time required to fill positions given the considerable number of retirements and vacancies that are expected. All other costs are increasing by \$0.3 million or 6.0 percent mainly due to an increase in the cost of District laboratory services (\$0.2 million) and costs associated with hazardous waste management and disposal (\$0.1 million).

FY17

Total labor and benefits costs are increasing by \$0.2 million or 1.7 percent compared to FY16, primarily due to a projected increase in the fringe benefit rate. All other costs are increasing by \$0.2 million or 4.4 percent due to an increase in the cost of laboratory services.

STAFFING SUMMARY

The chart below shows the staffing of the department.

Position Type	FY14	FY15	FY16	FY16 vs FY15	FY17	FY17 vs FY16
Full Time	53.0	50.0	50.0	0.0	50.0	0.0
Limited Term / Temp Const	14.0	0.0	0.0	0.0	0.0	0.0
Intermittent	0.0	0.0	0.0	0.0	0.0	0.0
Temporary / Part-Time	2.0	0.0	0.0	0.0	0.0	0.0
Total Positions	69.0	50.0	50.0	0.0	50.0	0.0
Total FTE	68.0	50.0	50.0	0.0	50.0	0.0

MAINTENANCE AND CONSTRUCTION DEPARTMENT

OVERVIEW

The Maintenance and Construction Department is responsible for maintaining the local water system infrastructure and facilities, performing preventative and corrective maintenance, replacing and rehabilitating the District's infrastructure and maintaining all vehicles and heavy equipment.

DESCRIPTION OF SERVICES PROVIDED

The department consists of four divisions. 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 pipeline appurtenances. Facilities Maintenance and Construction provides support for the water treatment and distribution infrastructure and other facilities located throughout the Water System. Pipeline Construction and Equipment installs 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, and backflow prevention.

FY16-17 GOALS

The department has a key role in the Long Term Infrastructure Investment Strategic Plan goal. Key department goals include:

- Increasing the miles of distribution pipe replaced by staffing two new pipeline replacement crews, and
- Meeting Key Performance Indicators for critical meter repair backlog, exercising water system valves, and recording asset maintenance activities for analysis.

DEPARTMENT BUDGET SUMMARY

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

Category (\$ Thousands)	FY14 Actuals	FY15 Amended Budget	FY16 Adopted Budget	FY16 vs FY15	FY17 Adopted Budget	FY17 vs FY16
Total Labor and Benefits	88,136	95,009	95,869	0.9%	97,856	2.1%
Less: Capital Labor and Benefits	<u>(29,352)</u>	<u>(30,567)</u>	<u>(32,383)</u>	5.9%	<u>(33,150)</u>	2.4%
Operating Labor and Benefits	58,784	64,442	63,486	-1.5%	64,705	1.9%
Contract Services	2,429	2,245	2,382	6.1%	2,409	1.1%
All Other Costs	<u>21,528</u>	<u>21,085</u>	<u>22,523</u>	6.8%	<u>22,960</u>	1.9%
Operating Total	82,741	87,771	88,391	0.7%	90,074	1.9%

BUDGET HIGHLIGHTS

The department's operating budget is increasing in FY16 by \$0.6 million or 0.7 percent compared to FY15, and in FY17 is increasing by approximately \$1.7 million or 1.9 percent compared to the prior fiscal year. Significant budget changes include:

FY16

Total labor and benefits costs are increasing by \$0.9 million or 1 percent compared to FY15 primarily due to funding positions to support the 10-to-40 Pipeline Infrastructure Renewal capital program. Operating labor and benefits are decreasing \$0.1 million primarily due to a lower fringe benefit rate and a higher offset to account for the time required to fill positions given the considerable number of retirements and vacancies that are expected. Contract services are increasing by \$0.1 million to meet the District's Key Performance Indicator of less than 30 day turnaround for concrete work during peak workload periods. All other costs are increasing by \$1.4 million primarily related to the cost of operating and maintaining the District's fleet of vehicles and equipment.

FY17

Total labor and benefits costs are increasing by \$2.0 million compared to the prior year primarily due to step increases and an increase in the fringe benefit rate. All other costs are increasing by \$0.4 million related to the District's vehicle and equipment fleet operating expenses.

STAFFING SUMMARY

The chart below shows the staffing of the department.

Position Type	FY14	FY15	FY16	FY16 vs FY15	FY17	FY17 vs FY16
Full Time	659.0	661.0	673.0	12.0	673.0	0.0
Limited Term / Temp Const	1.0	15.0	22.0	7.0	22.0	0.0
Intermittent	0.0	0.0	0.0	0.0	0.0	0.0
Temporary / Part-Time	11.0	13.0	13.0	0.0	13.0	0.0
Total Positions	671.0	689.0	708.0	19.0	708.0	0.0
Total FTE	665.5	682.5	701.5	19.0	701.5	0.0

POSITION CHANGES

The table on the following page summarizes the Board approved position changes, followed by a brief description of the 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
2016	Delete	(TC) Pipeline Welder III / II / I		(143,868)	(1.0)	Workload Efficiencies
2016	Add		Water Distribution Plumber I (TC)	112,300	1.0	10-to-40
2016	Add		Water Distribution Plumber I (TC)	112,300	1.0	10-to-40
2016	Add		Water Distribution Plumber I (TC)	112,300	1.0	10-to-40
2016	Add		Water Distribution Plumber I (TC)	112,300	1.0	10-to-40
2016	Add		Water Distribution Plumber I (TC)	112,300	1.0	10-to-40
2016	Add		General Pipe Supervisor	188,678	1.0	10-to-40
2016	Add		General Pipe Supervisor	188,678	1.0	10-to-40
2016	Add		Water Distribution Plumber I (TC)	112,300	1.0	10-to-40
2016	Add		Water Distribution Plumber I (TC)	112,300	1.0	10-to-40
2016	Add		Water Distribution Plumber I (TC)	112,300	1.0	10-to-40
2016	Add		Water Distribution Plumber I / II / III	136,922	1.0	10-to-40
2016	Add		Water Distribution Plumber I / II / III	136,922	1.0	10-to-40
2016	Add		Water Distribution Plumber I / II / III	136,922	1.0	10-to-40
2016	Add		Heavy Equipment Operator	140,284	1.0	10-to-40
2016	Add		Heavy Equipment Operator	140,284	1.0	10-to-40
2016	Add		Heavy Equipment Operator	140,284	1.0	10-to-40
2016	Add		Heavy Equipment Operator	140,284	1.0	10-to-40
2016	Add		Heavy Equipment Operator	140,284	1.0	10-to-40
2016	Add		Heavy Equipment Operator	140,284	1.0	10-to-40
2016	Add		Administrative Clerk	106,954	1.0	10-to-40
2016	Flex	Senior Admin Clerk	Sr. Admin Clerk / Admin Clerk (Reg / LT)	0	0.0	10-to-40
FY16 TOTAL				2,491,311	19.0	

In FY16, the department is deleting one Temporary Construction position that was no longer needed for project support; the remaining position changes support the 10-to-40 project in the Pipeline Infrastructure Renewal capital program.

WATER OPERATIONS DEPARTMENT

OVERVIEW

The Water Operations Department is responsible for operation of the water treatment and distribution facilities and the operation of the water supply systems.

DESCRIPTION OF SERVICES PROVIDED

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

FY16-17 GOALS

The department has a key role in implementing the Water Quality and Environmental Protection Strategic Plan goal. Key department goals include:

- Operating the water system to meet multiple objectives including municipal water supply, stream flow regulation, environmental protection, flood control, and releases for downstream water rights holders,
- Managing Freeport operations and supplemental supply evaluations and recommendations; managing chemical, energy, and sludge disposal costs,
- Leading the District's energy strategy,
- Implementing OP/NET system improvements, and
- Implementing and maintaining cyber security for the industrial control systems and centralized security systems.

DEPARTMENT BUDGET SUMMARY

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

Category (\$ Thousands)	FY14 Actuals	FY15 Amended Budget	FY16 Adopted Budget	FY16 vs FY15	FY17 Adopted Budget	FY17 vs FY16
Total Labor and Benefits	29,224	30,690	30,487	-0.7%	31,251	2.5%
Less: Capital Labor and Benefits	(1,753)	(1,372)	(1,323)	-3.6%	(1,369)	3.5%
Operating Labor and Benefits	27,471	29,319	29,164	-0.5%	29,882	2.5%
Contract Services	705	830	891	7.3%	892	0.1%
All Other Costs	<u>26,143</u>	<u>23,571</u>	<u>22,483</u>	-4.6%	<u>23,215</u>	3.3%
Operating Total	54,319	53,720	52,538	-2.2%	53,989	2.8%

BUDGET HIGHLIGHTS

The department's operating budget in FY16 is decreasing by \$1.2 million or 2.2 percent compared to FY15, and in FY17 is increasing by approximately \$1.4 million or 2.8 percent compared to the prior fiscal year. Significant budget changes include:

FY16

Total labor and benefits costs are decreasing by \$0.2 million or 1 percent compared to FY15, primarily for operating labor due to a lower fringe benefit rate and a higher offset to account for the time required to fill positions given the considerable number of retirements and vacancies that are expected. All other costs are decreasing by \$1.1 million or 4.6 percent as energy costs for distribution of water are decreasing due to a lower volume of projected water sales compared to FY15, even as the costs of energy and chemicals utilized for water treatment continue to rise.

FY17

Total labor and benefits are increasing by \$0.7 million or 2.5 percent million primarily in operating labor due to an additional position to support technology infrastructure, and an increase in the fringe benefit rate. All other costs are increasing \$0.7 million or 3.3 percent as the unit cost of energy and chemicals increases compared to the prior year.

STAFFING SUMMARY

The chart below shows the staffing of the department.

Position Type	FY14	FY15	FY16	FY16 vs FY15	FY17	FY17 vs FY16
Full Time	194.0	194.0	195.0	1.0	196.0	1.0
Limited Term / Temp Const	0.0	0.0	0.0	0.0	0.0	0.0
Intermittent	0.0	0.0	0.0	0.0	0.0	0.0
Temporary / Part-Time	5.0	5.0	5.0	0.0	5.0	0.0
Total Positions	199.0	199.0	200.0	1.0	201.0	1.0
Total FTE	196.5	196.5	197.5	1.0	198.5	1.0

POSITION CHANGES

The table below summarizes the Board approved position changes, followed by a brief description of the 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
2016	Delete	Water System Inspector II		(147,432)	(1.0)	Workload efficiencies
2016	Add		Treatment Plant Specialist	147,432	1.0	Consistent with the nature of the work
2016	Add		Associate Electrical Engineer / Associate Control System Engineer	208,340	1.0	Cyber-security for Industrial Control Systems
FY16 TOTAL				208,340	1.0	
2017	Add		Associate Electrical Engineer / Associate Control System Engineer	209,871	1.0	Cyber-security for Industrial Control Systems
FY17 TOTAL				209,871	1.0	

In FY16, the department is replacing a vacant Water System Inspector II with a Treatment Plant Specialist, needed for more effectively running the treatment plant operations. The department is adding one engineer position in each of FY16 and FY17 for cyber-security related to information technology systems for water distribution.

WATER RESOURCES DEPARTMENT

OVERVIEW

The Water Resources Department develops and administers the plans, policies and programs necessary to protect existing District water resources, develops additional water supplies to meet future needs, and assures the availability of adequate physical facilities to meet those needs.

DESCRIPTION OF SERVICES PROVIDED

The department consists of the Bay Delta Section, the Water Resources Planning and the Water Supply Improvements sections. The Bay-Delta Section 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. Water Resources Planning administers the District's licenses, permits and agreements for current water supplies, conducts water resource analyses to support operations and long-range planning, and prepares reports and implements plans needed to comply with state and federal regulations related to water supply management. Water Supply Improvements plans and implements supplemental supply and recycling projects needed to meet current and future needs.

FY16-17 GOALS

The department has primary responsibility for the Long Term Water Supply Strategic Plan goal. Key department goals include:

- Continuing collaborative partnerships for ensuring dry year water supply with emphasis on a long-term water transfer agreement with Placer County Water Agency and development of a Groundwater Banking Demonstration project with San Joaquin County,
- Reducing demand on Mokelumne River and East Bay water supplies through expansion of recycled water service along the I-80 corridor, San Ramon Valley, Richmond and the Chevron Refinery,
- Completing an update of the Urban Water Management Plan, and
- Participating in development of the Bay Delta Conservation Plan to ensure that EBMUD's stewardship, water supply and financial interests are protected.

DEPARTMENT BUDGET SUMMARY

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

Category (\$ Thousands)	FY14 Actuals	FY15 Amended Budget	FY16 Adopted Budget	FY16 vs FY15	FY17 Adopted Budget	FY17 vs FY16
Total Labor and Benefits	7,013	7,736	7,266	-6.1%	7,384	1.6%
Less: Capital Labor and Benefits	(1,741)	(1,486)	(1,410)	-5.2%	(1,247)	-11.6%
Operating Labor and Benefits	5,272	6,250	5,857	-6.3%	6,138	4.8%
Contract Services	376	474	161	-66.0%	116	-28.0%
All Other Costs	723	932	1,465	57.1%	1,514	3.4%
Operating Total	6,370	7,656	7,482	-2.3%	7,768	3.8%

BUDGET HIGHLIGHTS

The department's operating budget in FY16 is decreasing approximately \$0.2 million or 2.3 percent compared to FY15 and will increase approximately \$0.3 million in FY17 or 3.8 percent compared to the prior fiscal year. Significant budget changes include:

FY16

Total labor and benefits costs are approximately \$0.5 million less than FY15 primarily due to a lower fringe benefit rate. Contract services costs are decreasing \$0.3 million in FY16 primarily due to the completion of work associated with the District's effort to protect future water rights. All other costs will increase approximately \$0.5 million primarily for the District's share of the federal Central Valley Project expenses.

FY17

Total labor and benefits costs are increasing due to benefit rate escalation costs and scheduled step increases. All other costs will increase \$0.05 million primarily due to expenses associated with the District's share of payments to the joint Dublin San Ramon Services District/EBMUD Recycled Water Authority (DERWA) for recycled water use.

STAFFING SUMMARY

The chart below shows the staffing of the department.

Position Type	FY14	FY15	FY16	FY16 vs FY15	FY17	FY17 vs FY16
Full Time	39.0	38.0	38.0	0.0	38.0	0.0
Limited Term / Temp Const	0.0	0.0	0.0	0.0	0.0	0.0
Intermittent	0.0	0.0	0.0	0.0	0.0	0.0
Temporary / Part-Time	0.0	0.0	0.0	0.0	0.0	0.0
Total Positions	39.0	38.0	38.0	0.0	38.0	0.0
Total FTE	39.0	38.0	38.0	0.0	38.0	0.0

NATURAL RESOURCES DEPARTMENT

OVERVIEW

The Natural Resources Department develops and implements plans, policies and programs necessary to manage nearly 50,000 acres of watershed lands and related facilities, and develops and implements programs for water quality and environmental protection and public recreation on these lands, and the reservoirs, rivers and streams within them.

DESCRIPTION OF SERVICES PROVIDED

The department consists of the East Bay Watershed and Recreation Division, the Mokelumne Watershed and Recreation Division, and the Fisheries and Wildlife Division. Both Watershed and Recreation divisions, East Bay and Mokelumne, manage and protect the local and upcountry watershed lands owned by EBMUD, including overseeing environmental, recreation, and public education programs. The Fisheries and Wildlife Division develops and maintains the scientific information necessary to manage and protect wildlife and fisheries on EBMUD-owned lands and the Lower Mokelumne River fishery, conducts monitoring to comply with water right agreements, provides biological support for capital projects, and responds to service area incidents.

FY16-17 GOALS

The department has a key role in the Water Quality and Environmental Protection Strategic Plan goals. Key department goals include:

- Implementing the water quality protection, environmental stewardship and recreation programs consistent with the East Bay and Mokelumne Watershed Master Plans,
- Updating the East Bay Watershed Master Plan,
- Continuing to build on the successful fishery program for the Mokelumne River including expansion of the science programs on outmigration survival, juvenile barging and hatchery genetics management,
- Providing support for Chabot Dam Seismic Upgrade Project,
- Assisting in protocol development for the new National Pollutant Discharge Elimination System permit for drinking water discharges, and
- Establishing the Oursan Ridge Conservation Bank.

DEPARTMENT BUDGET SUMMARY

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

Category (\$ Thousands)	FY14 Actuals	FY15 Amended Budget	FY16 Adopted Budget	FY16 vs FY15	FY17 Adopted Budget	FY17 vs FY16
Total Labor and Benefits	8,583	9,150	8,822	-3.6%	8,962	1.6%
Less: Capital Labor and Benefits	(108)	(63)	0	-100.0%	0	0.0%
Operating Labor and Benefits	8,475	9,088	8,822	-2.9%	8,962	1.6%
Contract Services	2,642	2,719	2,821	3.7%	2,870	1.7%
All Other Costs	2,742	2,763	2,989	8.2%	3,063	2.5%
Operating Total	13,859	14,570	14,632	0.4%	14,895	1.8%

BUDGET HIGHLIGHTS

The department's operating budget in FY16 is increasing \$0.06 million or 0.4 percent compared to FY15 and increasing approximately \$0.3 million or 1.8 percent in FY17 compared to the prior fiscal year. Significant budget changes include:

FY16

Total labor and benefits are approximately \$0.3 million less than FY15 primarily due to a lower fringe benefit rate. Contract services costs will increase \$0.1 million in FY16 primarily for costs associated with a Joint Settlement Agreement requirement to mark and tag a proportion of hatchery fish production as part of a state-wide effort; compliance with the Native American Graves and Repatriation Act requirements as ancient burial sites have been exposed at Camanche Reservoir as a result of the drought; and professional services for range health assessment at the Mokelumne watershed. All other costs will increase \$0.2 million primarily due to the hatchery operations agreement with the California Department of Fish and Game, increase in vehicle usage costs, and costs for acoustic tags used for assessing fish pathways and survival being shifted to the operating budget from the capital budget.

FY17

Total labor and benefits costs are increasing \$0.1 million due to benefit rate escalation costs and scheduled step increases. Contract services cost will increase \$0.05 million due to anticipated increases for watershed security contracts. All other costs will increase approximately \$0.07 million due to increase in vehicle usage cost.

STAFFING SUMMARY

The chart below shows the staffing of the department.

Position Type	FY14	FY15	FY16	FY16 vs FY15	FY17	FY17 vs FY16
Full Time	67.0	67.0	67.0	0.0	67.0	0.0
Limited Term / Temp Const	0.0	0.0	0.0	0.0	0.0	0.0
Intermittent	0.0	0.0	0.0	0.0	0.0	0.0
Temporary / Part-Time	5.0	5.0	5.0	0.0	5.0	0.0
Total Positions	72.0	72.0	72.0	0.0	72.0	0.0
Total FTE	69.5	69.5	69.5	0.0	69.5	0.0

ENGINEERING AND CONSTRUCTION DEPARTMENT

OVERVIEW

The Engineering and Construction Department is responsible for developing plans, policies and programs that assure the availability of adequate physical facilities to meet future water service needs. These responsibilities include capital program implementation, including infrastructure management, system expansions, and facility improvements. The department provides technical leadership and innovation in engineering, construction, research and development, and operational efficiency improvements.

DESCRIPTION OF SERVICES PROVIDED

The department consists of: Water Distribution Planning, Design, Construction, Pipeline Infrastructure, and Engineering Services. Services include planning, design, and construction management and inspection of water system capital projects. Support services include cost estimating, contract specifications preparation, bid and award management, surveying, mapping, graphic design, hydraulic modeling, geotechnical engineering, materials testing, engineering records storage and engineering support to other departments.

FY16-17 GOALS

The department is primarily responsible for leading the Long Term Infrastructure Investment Strategic Plan goal. Key department goals in FY16-17 include:

- Developing and maintaining coordinated master plans,
- Implementing the capital improvement program based on priorities identified in the plans, and
- Supporting the ramp-up of planned pipeline infrastructure renewals.

DEPARTMENT BUDGET SUMMARY

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

Category (\$ Thousands)	FY14 Actuals	FY15 Amended Budget	FY16 Adopted Budget	FY16 vs FY15	FY17 Adopted Budget	FY17 vs FY16
Total Labor and Benefits	42,035	44,761	45,106	0.8%	45,933	1.8%
Less: Capital Labor and Benefits	(28,685)	(29,153)	(29,900)	2.6%	(30,456)	1.9%
Operating Labor and Benefits	13,350	15,608	15,205	-2.6%	15,477	1.8%
Contract Services	127	83	123	48.5%	125	0.9%
All Other Costs	806	837	942	12.5%	976	3.7%
Operating Total	14,283	16,528	16,270	-1.6%	16,578	1.9%

BUDGET HIGHLIGHTS

The department's operating budget in FY16 is decreasing by \$0.3 million or 1.6 percent compared to FY15, and in FY17 is increasing by approximately \$0.3 million or 1.9 percent compared to the prior fiscal year. Significant budget changes include:

FY16

Total labor (operating and capital) is increasing \$0.3 million due to additional staff associated with the 10-to-40 program of the Pipeline Infrastructure Renewal capital project. Additionally, the department took a higher percentage of salary savings compared to FY15. Contract services is increasing mainly due to technical training needs for new hires and engineering issues consultation (\$0.03 million). All other costs are increasing in furniture (\$0.03 million), and equipment (\$0.02 million) to provide for additional staff. The fees for California Department of Safety of Dams are increasing \$0.03 million.

FY17

Total labor (operating and capital) is increasing \$0.8 million primarily due to benefit rate escalation costs and scheduled step increases. The fees for California Department of Safety of Dams are increasing \$0.03 million.

STAFFING SUMMARY

The chart below shows the staffing of the department.

Position Type	FY14	FY15	FY16	FY16 vs FY15	FY17	FY17 vs FY16
Full Time	241.0	242.0	255.0	13.0	255.0	0.0
Limited Term / Temp Const	8.0	7.0	0.0	(7.0)	0.0	0.0
Intermittent	0.0	0.0	0.0	0.0	0.0	0.0
Temporary / Part-Time	3.0	3.0	3.0	0.0	3.0	0.0
Total Positions	252.0	252.0	258.0	6.0	258.0	0.0
Total FTE	250.5	250.5	256.5	6.0	256.5	0.0

POSITION CHANGES

The table below summarizes the Board approved position changes, followed by a brief description of the 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
2016	Delete	Admin Clerk		(106,954)	(1.0)	Workload Efficiencies
2016	Delete	(TC) Associate Civil Engineer		(208,340)	(1.0)	Mok Aqd Interconnection
2016	Add		Associate Civil Engineer	208,340	1.0	Large Diameter Pipeline & Aqd Replacement
2016	Delete	(TC) Associate Civil Engineer		(208,340)	(1.0)	Mok Aqd Interconnection
2016	Add		Jr / Asst Engineer	188,678	1.0	Pumping Plant Upgrades
2016	Delete	(TC) Associate Civil Engineer		(208,340)	(1.0)	Dam Safety Program
2016	Add		Associate Civil Engineer	208,340	1.0	Dam Safety Program
2016	Delete	(TC) Sr Constr Inspector / TC Asst Eng / TC Constr Inspec		(188,678)	(1.0)	Baseline Need
2016	Add		Jr Engineer / Sr. Const. Inspector / Asst Engineer	188,678	1.0	Baseline Need
2016	Delete	(TC) Senior Const. Inspector / Assistant Eng		(188,678)	(1.0)	Baseline Need
2016	Add		Jr Engineer / Sr. Const. Inspector / Asst Engineer	188,678	1.0	Baseline Need
2016	Delete	(TC) Const. Inspector / Assistant Engineer / Sr. Const. Inspector		(188,678)	(1.0)	Baseline Need
2016	Add		Jr Engineer / Sr. Const. Inspector / Asst Engineer	188,678	1.0	Baseline Need
2016	Delete	(TC) Survey Tech. I / II / Jr / Asst Engineer / Const. Inspector / Sr. Const. Inspector / Chief of Party		(188,678)	(1.0)	Baseline Need
2016	Add		Jr Engineer / Sr. Const. Inspector / Asst Engineer	188,678	1.0	Baseline Need

(continued next page)

FY	Action	From Classification(s)	To Classification(s)	Change in Cost	Change in FTE	Project/Program
2016	Add		Associate Civil Engineer	208,340	1.0	10-to-40
2016	Add		Sr Pipeline Designer	184,082	1.0	10-to-40
2016	Add		Sr Admin Clerk	124,024	1.0	10-to-40
2016	Add		Construction Inspector	166,789	1.0	10-to-40
2016	Add		Associate Civil / Mech / Elec Engineer	208,340	1.0	10-to-40
2016	Add		Sr Const. Inspector	184,082	1.0	10-to-40
2016	Add		Construction Inspector	166,789	1.0	10-to-40
FY16 TOTAL				1,115,830	6.0	

The 10-to-40 program of the Pipeline Infrastructure Renewal project consists of 7 new positions. Due to the significant increase in capital related baseline work over the next several years, 7 regular positions are being added and 7 temporary construction positions are being deleted for a net impact of 0 FTEs. One vacant regular Administrative Clerk is being deleted due to workload efficiencies.

OFFICE OF THE GENERAL MANAGER

OVERVIEW

The Office of the General Manager manages the overall operations of the District and implements the policies and priority programs of the elected Board of Directors with an emphasis on effectively communicating with all stakeholders and advancing EBMUD's policy objectives with the state legislature and congress.

DESCRIPTION OF SERVICES PROVIDED

The department includes the Office of the General Manager, Inter-Governmental Affairs, Public Affairs and the Office of the Secretary. The Office of the General Manager provides several District-wide functions including: legislative and intergovernmental agency advocacy; public and community education and outreach; support to the Board of Directors and District-wide records management, including managing responses to public records requests.

FY16-17 GOALS

The department supports all six Strategic Plan goals. Key department goals include:

- Meeting the challenges of drought by communicating with the public about Board policy proposals and decisions and by educating customers on ways to achieve their conservation goals,
- Educating stakeholders on the need for a generational investment in infrastructure and on other District priorities as expressed through the District's strategic plan goals and objectives, and
- Supporting EBMUD's water and wastewater program goals through legislative efforts to advance EBMUD's policy objectives and acquire state and federal funding and to proactively influence legislation through active outreach and customer education.

DEPARTMENT BUDGET SUMMARY

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

Category (\$ Thousands)	FY14 Actuals	FY15 Amended Budget	FY16 Adopted Budget	FY16 vs FY15	FY17 Adopted Budget	FY17 vs FY16
Total Labor and Benefits	4,302	4,638	4,747	2.4%	4,827	1.7%
Less: Capital Labor and Benefits	(1)	0	0	0.0%	0	0.0%
Operating Labor and Benefits	4,300	4,638	4,747	2.4%	4,827	1.7%
Contract Services	243	170	241	42.3%	145	-39.9%
All Other Costs	560	1,070	565	-47.1%	1,065	88.4%
Operating Total	5,103	5,877	5,554	-5.5%	6,037	8.7%

BUDGET HIGHLIGHTS

The department's operating budget in FY16 is decreasing approximately \$0.3 million or 5.5 percent compared to FY15. In FY17, the budget will increase approximately \$0.5 million or 8.7 percent compared to the prior fiscal year. Significant budget changes include:

FY16

Total labor and benefits are increasing \$0.1 million due to scheduled step increases. Contract services costs will increase \$0.07 million due to the District-wide customer survey which occurs in the first year of the biennial budget. All other costs will decrease \$0.5 million compared to FY15 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.

FY17

Total labor and benefits will increase approximately \$0.1 million due to the fringe benefit rate escalation and scheduled step increases. Contract services costs will decrease \$0.1 million due to the District-wide customer survey expense which occurred in the prior fiscal period. All other costs will increase \$0.5 million due to the Board election fees mentioned above which occur in the second year of the budget.

STAFFING SUMMARY

The chart below shows the staffing of the department.

Position Type	FY14	FY15	FY16	FY16 vs FY15	FY17	FY17 vs FY16
Full Time	26.0	26.0	25.0	(1.0)	25.0	0.0
Limited Term / Temp Const	0.0	0.0	0.0	0.0	0.0	0.0
Intermittent	0.0	0.0	0.0	0.0	0.0	0.0
Temporary / Part-Time	1.0	1.0	1.0	0.0	1.0	0.0
Total Positions	27.0	27.0	26.0	(1.0)	26.0	0.0
Total FTE	26.5	26.5	25.5	(1.0)	25.5	0.0

POSITION CHANGES

The table below summarizes the Board approved position changes, followed by a brief description of the 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
2016	Delete	Administrative Clerk		(106,954)	(1.0)	Workload Efficiencies
FY16 TOTAL				(106,954)	(1.0)	

In FY16, the department is deleting one position due to workload efficiencies.

FINANCE DEPARTMENT

OVERVIEW

The Finance Department is responsible for providing proactive and strategic management of the finances and ensuring the long-term financial stability of the District. These responsibilities include managing the finances to meet funding needs, ensuring adequate internal financial controls, timely and accurate financial reporting, efficiently managing the budget, implementing reasonable rates and charges, optimizing investment of cash funds, maintaining good standing in the credit markets, and actively engaging with external stakeholders to promote fiscal transparency and accountability.

DESCRIPTION OF SERVICES PROVIDED

The department consists of the following groups: Accounting, Budget Office, Internal Audit, Treasury Operations, Purchasing, and Risk Management. It provides a range of financial services including accounts payable and payroll, quarterly and annual financial reporting, biennial budget management, grant administration, strategic planning coordination, debt management, credit rating agency and investor relations, rates and charges, investment of funds, procurement and supply chain management, liability and workers compensation claim management, insurance procurement, and internal controls. The Department also staffs the District's Employee Retirement System with respect to investment and liability management.

FY16-17 GOALS

The department is primarily responsible for leading the Long-Term Financial Stability Strategic Plan goal. Key department goals include:

- Developing a long-range financing plan,
- Increasing fiscal transparency and accountability in financial reporting, and
- Replacing aging financial information management systems.

DEPARTMENT BUDGET SUMMARY

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

Category (\$ Thousands)	FY14 Actuals	FY15 Amended Budget	FY16 Adopted Budget	FY16 vs FY15	FY17 Adopted Budget	FY17 vs FY16
Total Labor and Benefits	13,426	14,788	14,814	0.2%	15,457	4.3%
Less: Capital Labor and Benefits	(163)	0	(434)	0.0%	(910)	109.4%
Operating Labor and Benefits	13,264	14,788	14,379	-2.8%	14,547	1.2%
Contract Services	1,200	1,350	1,329	-1.5%	1,336	0.5%
All Other Costs	7,554	9,252	9,330	0.8%	9,419	1.0%
Operating Total	22,018	25,390	25,039	-1.4%	25,302	1.1%

BUDGET HIGHLIGHTS

The department's operating budget in FY16 is decreasing by approximately \$0.3 million or 1.4 percent compared to FY15, and in FY17 is increasing by approximately \$0.3 million or 1.1 percent compared to the prior fiscal year. Significant budget changes include:

FY16

Total labor and benefit costs (operating and capital) are increasing approximately \$0.03 million. This is primarily due to staff time being allocated to capital related activities such as the replacement of financial and procurement systems. Additionally, all other costs increased \$0.08 million for property insurance premiums based on anticipated rate increases.

FY17

Total labor and benefit costs (operating and capital) are increasing approximately \$0.6 million primarily due to funding capital related positions for a full year and an escalation in the benefit rate costs. Similar to FY16, all other costs will increase \$0.09 million due to anticipated insurance premiums.

STAFFING SUMMARY

The chart below shows the staffing of the department. The addition of one full time position in FY16 reflects the return of a loaned position to the originating department.

Position Type	FY14	FY15	FY16	FY16 vs FY15	FY17	FY17 vs FY16
Full Time	95.0	96.0	97.0	1.0	97.0	0.0
Limited Term / Temp Const	1.0	1.0	1.0	0.0	1.0	0.0
Intermittent	0.0	0.0	0.0	0.0	0.0	0.0
Temporary / Part-Time	1.0	1.0	1.0	0.0	1.0	0.0
Total Positions	97.0	98.0	99.0	1.0	99.0	0.0
Total FTE	96.5	97.5	98.5	1.0	98.5	0.0

POSITION CHANGES

The table below summarizes the Board approved position changes, followed by a brief description of the 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
2016	Flex Staff	Mgmt Analyst I / II	Mgmt Analyst I / II / Information Systems Administrator (Reg/LT)	18,183	0.0	FIS Project
2016	Flex Staff	Mgmt Analyst I / II	Mgmt Analyst I / II (Reg/LT)	0	0.0	FIS Project
2016	Flex Staff	Stores Supervisor	Stores Supervisor (Reg/LT)	0	0.0	MMIS Project
2016	Flex Staff	Purchasing Contract Supervisor	Purchasing Contract Supervisor (Reg/LT)	0	0.0	MMIS Project
2016	Flex Staff	Admin Clerk	Admin Clerk / Information Systems Support Analyst I / II (Reg/LT)	72,693	0.0	MMIS Project
FY16 TOTAL				90,877	0.0	

Five existing positions are being temporarily reallocated to the Materials Management Information System (MMIS) and Financial Information System (FIS) replacement capital projects scheduled to begin in FY16. These systems are critical financial and procurement related efforts supporting the entire District. These positions are required to support short-term implementation and streamline business processes that will change as a result of the new computer system.

INFORMATION SYSTEMS DEPARTMENT

OVERVIEW

The Information Systems Department is responsible for planning, deploying, operating and maintaining information technology and services in support of District functions. These responsibilities include providing security and recoverability for business systems and data critical to the operations of the District.

DESCRIPTION OF SERVICES PROVIDED

The department consists of: the Data Center, Applications Development, and Information Technology Security. Together, these divisions support the lifecycle of the 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.

FY16-17 GOALS

The department has a key role in the Long Term Financial Stability Strategic Plan goal. Key department goals for FY16-17 will include:

- Completing technology projects to improve Contact Center telephones and web-based customer self-service,
- Augmenting Business Continuity capabilities which are available at the District's Disaster Recovery site in Sacramento,
- Implementing revised schedule for updating computers and equipment, and
- Implementing a new Materials Management Information System and Financial Information System.

DEPARTMENT BUDGET SUMMARY

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

Category (\$ Thousands)	FY14 Actuals	FY15 Amended Budget	FY16 Adopted Budget	FY16 vs FY15	FY17 Adopted Budget	FY17 vs FY16
Total Labor and Benefits	16,659	17,784	18,060	1.5%	18,395	1.9%
Less: Capital Labor and Benefits	(194)	(401)	(752)	87.3%	(754)	0.3%
Operating Labor and Benefits	16,465	17,383	17,308	-0.4%	17,641	1.9%
Contract Services	589	681	968	42.1%	994	2.7%
All Other Costs	6,438	5,119	7,517	46.8%	7,757	3.2%
Operating Total	23,492	23,184	25,793	11.3%	26,392	2.3%

BUDGET HIGHLIGHTS

The department's operating budget in FY16 is increasing by \$2.6 million or 11.3 percent compared to FY15, and in FY17 is increasing by \$0.6 million or 2.3 percent compared to the prior fiscal year. Significant budget changes include:

FY16

Total labor (operating and capital) is increasing approximately \$0.3 million primarily to fund additional positions to support Technology Infrastructure capital work. The increase in total labor is partially offset by a decrease in the fringe benefit rate costs. All other costs are increasing approximately \$2.4 million for computer hardware (\$1.6 million), computer software (\$0.4 million), and telephone expense (\$0.5 million). Computer hardware is increasing to systematically fund equipment on a planned replacement schedule. Computer software will increase \$0.4 million due to new database, GIS, and other software, and an increase in software maintenance costs. Telephone expense will increase \$0.5 million due to an increase in data circuit capacity, and increased use of cell phones, tablets and the data plans and airtime fees associated with this technology.

FY17

Total labor (operating and capital) is increasing approximately \$0.3 million due to benefit rate escalation costs and scheduled step increases. All other costs are increasing \$0.2 million for telephone expenses due to projected increases in expenses for cell phones and tablets and their associated data plans and airtime fees.

STAFFING SUMMARY

The chart below shows the staffing of the department. The addition of one of the full time positions in FY16 reflects the return of a loaned position to the originating department.

Position Type	FY14	FY15	FY16	FY16 vs FY15	FY17	FY17 vs FY16
Full Time	90.0	89.0	91.0	2.0	91.0	0.0
Limited Term / Temp Const	2.0	2.0	4.0	2.0	4.0	0.0
Intermittent	0.0	0.0	0.0	0.0	0.0	0.0
Temporary / Part-Time	0.0	0.0	0.0	0.0	0.0	0.0
Total Positions	92.0	91.0	95.0	4.0	95.0	0.0
Total FTE	92.0	91.0	95.0	4.0	95.0	0.0

POSITION CHANGES

The table below summarizes the Board approved position changes, followed by a brief description of the 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
2016	Delete	Computer Operations Supervisor		(175,253)	(1.0)	Workload Efficiencies
2016	Add		Senior Systems Programmer	203,197	1.0	Servers Security
2016	Add		Senior Systems Programmer	203,197	1.0	Control Systems Security
FY16 TOTAL				231,140	1.0	

The department is adding two Senior Systems Programmers to support critical technology infrastructure related work. A vacant Computer Operations Supervisor position is being deleted due to workload efficiencies.

CUSTOMER AND COMMUNITY SERVICES DEPARTMENT

OVERVIEW

The Customer and Community Service Department provides high quality, responsive customer service through the use of efficient business practices, technology, and value added programs and services to District customers and stakeholders guided by fairness, consistency, efficiency, and high standards of professionalism and fiscal responsibility.

DESCRIPTION OF SERVICES

The department's operations include the Customer Contact Center, Field Services, Customer Services Support, New Business, Water Conservation, Real Estate Services, and Contract Equity. These organizations serve as the direct interface to customers and internal and external stakeholders to support billing, payment, and service inquiries; field operation requests; customer programs and services; Customer Information System administration, maintenance, systems integration and support; water conservation assistance; new service and development requests; property management and land/easement acquisitions; mail distribution and payment processing; and promote contract equity for District contracting opportunities.

FY16-17 GOALS

The department is primarily responsible for the Customer Service Strategic Plan goal. Key department goals include:

- Implementing a new consolidated customer payment interface and improving customer online self-service capabilities,
- Upgrading the telephone system including an interactive voice response system and recording and monitoring applications to improve the customer experience.
- Managing drought related activities and promoting water conservation,
- Researching and exploring options for potential water budget based allocations and bill redesign,
- Piloting and expanding Automated Metering Infrastructure technology and water loss initiatives, and
- Promoting contract equity opportunities.

DEPARTMENT BUDGET SUMMARY

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

Category (\$ Thousands)	FY14 Actuals	FY15 Amended Budget	FY16 Adopted Budget	FY16 vs FY15	FY17 Adopted Budget	FY17 vs FY16
Total Labor and Benefits	16,575	17,692	17,887	1.1%	18,238	2.0%
Less: Capital Labor and Benefits	(1,678)	(2,174)	(2,444)	12.5%	(2,487)	1.7%
Operating Labor and Benefits	14,897	15,518	15,443	-0.5%	15,751	2.0%
Contract Services	249	476	265	-44.4%	327	23.6%
All Other Costs	2,637	3,126	2,959	-5.3%	3,005	1.6%
Operating Total	17,783	19,120	18,666	-2.4%	19,083	2.2%

BUDGET HIGHLIGHTS

The department's operating budget in FY16 is decreasing approximately \$0.5 million or 2.4 percent compared to FY15. In FY17, the budget is increasing \$0.2 million or 2.2 percent. Although the department will add drought related positions in FY16 and FY17, their labor and benefits budget is included in the drought contingency. Funds would be transferred to the department if these positions are filled.

FY16

Total labor and benefits are increasing \$0.2 million. Total operating labor and benefits decreased by \$0.8 million due to a lower fringe benefit rate. Capital labor and benefits increased \$0.3 primarily due to new positions funded to support increased capital project workload for the implementation of the Water Conservation Master Plan and automated meter reading infrastructure. Contract services are decreasing \$0.2 million primarily due to completion of start-up costs for electronic bill payment and presentment. All other costs decreased approximately \$0.2 million primarily for mailing Proposition 218 notices regarding potential rate increases which occurs in the second year of the biennial budget, this decrease was partially offset by an increase in property taxes and assessments.

FY17

Operating labor and benefits costs will increase \$0.3 million primarily due to benefit rate escalation costs and scheduled salary step increases. Contract services are increasing \$0.06 million primarily due to services for web enhancements. All other costs are increasing \$0.05 million primarily due to anticipated increases in property taxes and assessments, vehicle use charges and postage costs.

STAFFING SUMMARY

The chart below shows the staffing of the department. The total position changes do not match the position type chart because the position type chart reflects the return of three positions loaned from other departments.

Position Type	FY14	FY15	FY16	FY16 vs FY15	FY17	FY17 vs FY16
Full Time	124.0	125.0	123.0	(2.0)	123.0	0.0
Limited Term / Temp Const	2.0	2.0	13.0	11.0	15.0	2.0
Intermittent	4.0	4.0	4.0	0.0	4.0	0.0
Temporary / Part-Time	27.0	27.0	27.0	0.0	27.0	0.0
Total Positions	157.0	158.0	167.0	9.0	169.0	2.0
Total FTE	142.5	143.5	152.5	9.0	154.5	2.0

POSITION CHANGES

The table below summarizes the Board approved position changes, followed by a brief description of the 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
2016	Add		Associate Civil Eng (LT)	208,340	1.0	Automated Meter Reading Infrastructure
2016	Add		New Business Representative I/II (Reg/LT)	147,432	1.0	Needed during strong economic times
2016	Add		Water Conservation Technician (LT)	130,301	1.0	Drought
2016	Add		Water Conservation Technician (LT)	130,301	1.0	Drought
2016	Add		Admin Clerk (LT)	106,954	1.0	Drought
2016	Add		Customer Service Rep I (LT)	92,233	1.0	Drought
2016	Add		Customer Service Rep I (LT)	92,233	1.0	Drought
2016	Add		Customer Service Rep I (LT)	92,233	1.0	Drought
2016	Add		Customer Service Rep I (LT)	92,233	1.0	Drought
2016	Add		Customer Service Rep I (LT)	92,233	1.0	Drought
2016	Add		Customer Service Rep I (LT)	92,233	1.0	Drought
2016	Add		Field Service Rep I (LT)	118,091	1.0	Drought
2016	Flex Staff	Water Conservation Representative	Water Conservation Rep (Reg/LT)	0	0.0	Drought
2016	Flex Staff	Water Conservation Representative	Water Conservation Rep (Reg/LT)	0	0.0	Drought
2016	Flex Staff	Field Service Representative I/II	Field Service Rep I/II (Reg/LT)	0	0.0	Drought
FY16 TOTAL				1,394,818	12.0	
2017	Add		Water Conservation Rep (LT)	156,042	1.0	Drought
2017	Add		Water Conservation Technician (LT)	131,259	1.0	Drought
FY17 TOTAL				287,300	2.0	

In FY16, the department is adding one position for program management of automated meter reading infrastructure, one position for support needed in the New Business Office during strong economic times and ten positions to be filled if needed for advanced drought actions. In FY17, the department is adding two positions to be filled if needed for advanced drought actions.

HUMAN RESOURCES DEPARTMENT

OVERVIEW

The Human Resources Department recruits, develops, and retains a diverse, well-qualified and professional workforce that reflects the values of EBMUD, supports the District's core mission, and leads the organization in positive employee relations, talent management, succession planning and employee engagement.

DESCRIPTION OF SERVICES PROVIDED

The department consists of the Office of Diversity and Inclusion, Employee Relations, Employee Services, Recruitment and Classification, and Employee and Organizational Development. These divisions administer the District's retirement system, deferred compensation programs and employee benefits; provide guidance to effectively resolve grievances as well as facilitating labor contract negotiations; implement training and development opportunities to support leadership and managerial skill enhancement; develop a performance recognition program that acknowledges employee contributions toward meeting Districts goals; steward a "grow our own" strategy to address skills shortages by developing employees to meet workforce demands; and recruit and onboard a highly qualified, diverse applicant pool.

FY16-17 GOALS

The department is primarily responsible for leading the Workforce Planning and Development Strategic Plan goal. Key department goals include:

- Implementing workforce development plans to identify future employees to fill anticipated vacancies resulting from retirements,
- Developing a communications strategy to enhance the labor relations negotiations process during the 2017 bargaining process, and
- Implementing a health care strategy that provides a competitive benefit package while recognizing the looming increase in forecasted health care costs.

DEPARTMENT BUDGET SUMMARY

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

Category (\$ Thousands)	FY14 Actuals	FY15 Amended Budget	FY16 Adopted Budget	FY16 vs FY15	FY17 Adopted Budget	FY17 vs FY16
Total Labor and Benefits	7,272	7,972	7,463	-6.4%	7,504	0.5%
Less: Capital Labor and Benefits	(82)	0	(12)	0.0%	(17)	41.7%
Operating Labor and Benefits	7,189	7,972	7,451	-6.5%	7,487	0.5%
Contract Services	816	1,029	1,273	23.6%	1,276	0.2%
All Other Costs	562	740	653	-11.8%	690	5.5%
Operating Total	8,568	9,742	9,377	-3.7%	9,452	0.8%

BUDGET HIGHLIGHTS

The department's operating budget in FY16 is decreasing approximately \$0.4 million or 3.7 percent compared to FY15. In FY17, the operating budget will increase approximately \$0.07 million or 0.8 percent. Significant budget changes include:

FY16

Total labor and benefits are decreasing approximately \$0.5 million due to fewer funded positions, overall lower salaries in comparison to FY15 attributable to new employees with salaries lower than the employees they replaced and lower fringe benefit rate costs. Contract services costs are increasing approximately \$0.2 million to provide enhanced benefits administration support through web based programs and to cover the District's negotiated share of Deferred Compensation Plan administrative fees.

FY17

Total labor and benefits costs are slightly increasing due to the fringe benefit rate escalation and scheduled step increases.

STAFFING SUMMARY

The chart below shows the staffing of the department. The addition of three positions in FY16 reflects the return of loaned positions to the originating department. These positions are unfunded in both FY16 and FY17.

Position Type	FY14	FY15	FY16	FY16 vs FY15	FY17	FY17 vs FY16
Full Time	48.0	47.0	50.0	3.0	50.0	0.0
Limited Term / Temp Const	2.0	2.0	2.0	0.0	2.0	0.0
Intermittent	0.0	0.0	0.0	0.0	0.0	0.0
Temporary / Part-Time	16.0	16.0	16.0	0.0	16.0	0.0
Total Positions	66.0	65.0	68.0	3.0	68.0	0.0
Total FTE	58.0	57.0	60.0	3.0	60.0	0.0

OFFICE OF THE GENERAL COUNSEL

OVERVIEW

The Office of the General Counsel provides the legal advice and assistance necessary to implement the District's mission, policies, and programs in a manner consistent with the law and to take charge of litigation and other legal matters in which the District is a party or in which it is legally interested.

DESCRIPTION OF SERVICES PROVIDED

The department 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.

FY16-17 GOALS

Key department goals include:

- Providing the District, its officers, and its employees with competent, responsible, and effective representation in all proceedings in which the District is a party or has an interest and obtain the best results possible given the facts and law applicable to the specific case,
- Assuring that all documents with legal significance that are presented to the Office of the General Counsel for review or are originally prepared by the Office accomplish the purpose for which they are intended, protect the District from legal risk to the full extent administrative staff considers appropriate for the transaction, and are written in clear and understandable language in an appropriate legal form,
- Providing accurate, clear, and practical oral legal advice that is responsible to the questions and facts presented,
- Providing accurate, clear, and practical written legal memoranda and opinions that are thoroughly researched, timely, and in an appropriately professional form,
- Providing forceful and persuasive advocacy on behalf of the District in nonjudicial settings when requested to do so,
- Assuring that all legal services provided to the District are cost-effective, responsive to the directions of the Board, and professionally competent, and
- Adhering to the highest standards of professional conduct and legal ethics including those standards set forth in the Rule of Professional Conduct.

DEPARTMENT BUDGET SUMMARY

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

Category (\$ Thousands)	FY14 Actuals	FY15 Amended Budget	FY16 Adopted Budget	FY16 vs FY15	FY17 Adopted Budget	FY17 vs FY16
Total Labor and Benefits	3,303	3,900	3,503	-10.2%	3,529	0.7%
Less: Capital Labor and Benefits	0	0	0	0.0%	0	0.0%
Operating Labor and Benefits	3,303	3,900	3,503	-10.2%	3,529	0.7%
Contract Services	1,389	750	750	0.0%	750	0.0%
All Other Costs	124	221	235	6.4%	236	0.2%
Operating Total	4,816	4,872	4,489	-7.9%	4,515	0.6%

BUDGET HIGHLIGHTS

The department's operating budget in FY16 is decreasing approximately \$0.4 million or 7.9 percent compared to FY15 and will increase approximately \$0.03 million in FY17 or 0.6 percent compared to the prior fiscal year. Significant budget changes include:

FY16

Total labor and benefits are decreasing \$0.4 million in FY16 primarily due to one less funded position compared to FY15.

FY17

Total labor and benefits are increasing approximately \$0.03 million due to the fringe benefit rate escalation and scheduled step increases.

STAFFING SUMMARY

The chart below shows the staffing of the department. The reduction of one position in FY16 reflects the return of a loaned position to the originating department.

Position Type	FY14	FY15	FY16	FY16 vs FY15	FY17	FY17 vs FY16
Full Time	16.0	17.0	16.0	(1.0)	16.0	0.0
Limited Term / Temp Const	0.0	0.0	0.0	0.0	0.0	0.0
Intermittent	0.0	0.0	0.0	0.0	0.0	0.0
Temporary / Part-Time	2.0	2.0	2.0	0.0	2.0	0.0
Total Positions	18.0	19.0	18.0	(1.0)	18.0	0.0
Total FTE	17.0	18.0	17.0	(1.0)	17.0	0.0

WATER RECYCLING PROGRAM

OVERVIEW

The Water Recycling Department develops and implements 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 department operates and maintains 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 by the Wastewater Department.

FY16-17 GOALS

The department supports the Long-Term Water Supply Strategic Plan goal. Key department goals include:

- Continuing to operate and maintain the three recycled water treatment facilities (RARE, North Richmond, East Bayshore) to meet regulatory standards for recycled water and maximize the production from these three facilities,
- Maintaining contractual obligations with Chevron, and
- Continuing to offset the use of drinking water for nonpotable applications as part of the District's water recycling goal.

DEPARTMENT BUDGET SUMMARY

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

Category (\$ Thousands)	FY14 Actuals	FY15 Amended Budget	FY16 Adopted Budget	FY16 vs FY15	FY17 Adopted Budget	FY17 vs FY16
Total Labor and Benefits	1,742	1,622	1,616	-0.3%	1,627	0.6%
Less: Capital Labor and Benefits	(4)	0	0	0.0%	0	0.0%
Operating Labor and Benefits	1,738	1,622	1,616	-0.3%	1,627	0.6%
Contract Services	19	21	52	143.5%	52	0.1%
All Other Costs	3,203	3,188	3,494	9.6%	3,583	2.6%
Operating Total	4,960	4,831	5,162	6.9%	5,262	1.9%

BUDGET HIGHLIGHTS

The Water Recycling Program operating budget reflects an increase of approximately \$0.3 million in FY16 or 6.9 percent higher than FY15. In FY17, the operating budget increased approximately 1.9 percent or \$0.1 million. Significant budget changes include:

FY16

Operating labor costs are increasing approximately \$0.04 million primarily due to an increase in overtime for additional wastewater treatment plant operator coverage necessitated by new regulations. Benefits costs are decreasing approximately \$0.05 million due to a lower fringe benefit rate. Contract services are increasing \$0.03 million primarily due to a new contract required to provide training for microfiltration and reverse osmosis systems. All other costs are increasing approximately \$0.3 million primarily due to increased chemical costs (\$0.1 million) as a result of higher application rates and unit costs; and charges by wastewater staff who maintain the recycling facilities are anticipated to increase (\$0.2 million) because of the need for repair work.

FY17

Personnel operating costs are increasing approximately \$0.01 million due to fringe benefit escalation costs. All other costs increases of \$0.1 million are primarily due to chemical and energy costs increases and charges by wastewater maintenance staff.

STAFFING SUMMARY

The chart below shows the staffing of the department.

Position Type	FY14	FY15	FY16	FY16 vs FY15	FY17	FY17 vs FY16
Full Time	8.0	8.0	8.0	0.0	8.0	0.0
Limited Term / Temp Const	0.0	0.0	0.0	0.0	0.0	0.0
Intermittent	0.0	0.0	0.0	0.0	0.0	0.0
Temporary / Part-Time	0.0	0.0	0.0	0.0	0.0	0.0
Total Positions	8.0	8.0	8.0	0.0	8.0	0.0
Total FTE	8.0	8.0	8.0	0.0	8.0	0.0

ADMINISTRATION DEPARTMENT

OVERVIEW

The Administration Department is currently unstaffed and the functions of the department have been distributed to the Customer and Community Services Department and the Human Resources Department.

DESCRIPTION OF SERVICES PROVIDED

The department has the budget for District memberships in professional and trade organizations.

FY16-17 GOALS

The department does not have any Strategic Plan goals in FY16-17.

DEPARTMENT BUDGET SUMMARY

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

Category (\$ Thousands)	FY14 Actuals	FY15 Amended Budget	FY16 Adopted Budget	FY16 vs FY15	FY17 Adopted Budget	FY17 vs FY16
Total Labor and Benefits	239	224	0	-100.0%	0	0.0%
Less: Capital Labor and Benefits	0	0	0	0.0%	0	0.0%
Operating Labor and Benefits	239	224	0	-100.0%	0	0.0%
Contract Services	0	0	0	0.0%	0	0.0%
All Other Costs	370	358	356	-0.4%	356	0.0%
Operating Total	609	582	356	-38.7%	356	0.0%

BUDGET HIGHLIGHTS

FY16

The department has no personnel costs in FY16-17 as compared to FY14-15 due to staff retirements and transferring services to other departments.

FY17

The District membership budget remains flat.

STAFFING SUMMARY

The chart below shows the staffing of the department.

Position Type	FY14	FY15	FY16	FY16 vs FY15	FY17	FY17 vs FY16
Full Time	2.0	2.0	2.0	0.0	2.0	0.0
Limited Term / Temp Const	0.0	0.0	0.0	0.0	0.0	0.0
Intermittent	0.0	0.0	0.0	0.0	0.0	0.0
Temporary / Part-Time	0.0	0.0	0.0	0.0	0.0	0.0
Total Positions	2.0	2.0	2.0	0.0	2.0	0.0
Total FTE	2.0	2.0	2.0	0.0	2.0	0.0

STAFFING

The chart below provides the full-time equivalency (FTE) by department and compares the changes from year-to-year. Depending upon the appointment type, the FTE value will be different. Regular, non-civil-service, Limited-Term and Temporary Construction appointment types are full-time and equivalent to 1.0 FTE; intermittent appointment types are equivalent to 0.75 FTE; part-time and temporary appointment types count as 0.5 FTE.

FY16-17 STAFFING BY DEPARTMENT					
Positions by Full-Time Equivalent (FTE)					
Department	FY15 Amended	FY16 Adopted	FTE Change	FY17 Adopted	FTE Change
Operations & Maintenance Support	50.0	50.0	0.0	50.0	0.0
Maintenance & Construction	682.5	701.5	19.0	701.5	0.0
Water Operations	196.5	197.5	1.0	198.5	1.0
Water Resources	38.0	38.0	0.0	38.0	0.0
Natural Resources	69.5	69.5	0.0	69.5	0.0
Engineering & Construction	250.5	256.5	6.0	256.5	0.0
Office of the General Manager	26.5	25.5	(1.0)	25.5	0.0
Finance	97.5	98.5	1.0	98.5	0.0
Information Systems	91.0	95.0	4.0	95.0	0.0
Customer & Community Services	143.5	152.5	9.0	154.5	2.0
Human Resources	57.0	60.0	3.0	60.0	0.0
Office of the General Counsel	18.0	17.0	(1.0)	17.0	0.0
Water Recycling Program	8.0	8.0	0.0	8.0	0.0
Administration	2.0	2.0	0.0	2.0	0.0
WATER SYSTEM TOTAL	1,730.5	1,771.5	41.0	1,774.5	3.0

A total of 41.0 FTEs are shown as the Water System change from FY15. Chapter 2 shows 38.0 FTEs added to the Water System. One additional FTE, previously loaned to the Wastewater System, is being transferred back to the Water System in FY16. Two additional LT FTEs were transferred to the Water System from the Wastewater System at the start of FY16.

For a more detailed description of position changes, please see the see the specific department section in this chapter or the Staffing section in the District Summary chapter of this book.

Bargaining Unit Changes

The following tables show the net change in bargaining unit status of authorized positions (not FTEs) represented by AFSCME Local 2019, AFSCME Local 444, IFPTE Local 21, and IUOE Local 39; or included in Management/Confidential, non-represented groups, and civil service exempt positions. The charts reflect all Board approved staffing changes for FY16 and FY17.

FY 16 vs. FY 15 Net Change in Bargaining Unit Status							
Department	Local 2019	Local 444	Local 21	Local 39	MGMT / Confidential	Non-Rep	Civil Service Exempt
Operations & Maintenance Support							
Maintenance & Construction		16	2				
Water Operations		1					
Water Resources							
Natural Resources							
Engineering & Construction	7						
Office of the General Manager	-1						
Finance							
Information Systems	4		-1				
Customer & Community Services	12						
Human Resources							
Office of the General Counsel							
Water Recycling Program							
Administration							
Total Net Change	22	17	1	0	0	0	0

FY 17 vs. FY 16 Net Change in Bargaining Unit Status							
Department	Local 2019	Local 444	Local 21	Local 39	MGMT / Confidential	Non-Rep	Civil Service Exempt
Operations & Maintenance Support							
Maintenance & Construction							
Water Operations	1						
Water Resources							
Natural Resources							
Engineering & Construction							
Office of the General Manager							
Finance							
Information Systems							
Customer & Community Services	2						
Human Resources							
Office of the General Counsel							
Water Recycling Program							
Administration							
Total Net Change	3	0	0	0	0	0	0

DEBT SERVICE AND FINANCING

This section describes the Water System's current and projected debt obligations, current credit ratings, and adherence to the District's debt financing policies.

The District incurs debt to finance projects or purchase, repair or replace assets which will have useful lives equal to or greater than the related debt. Issuance of revenue supported debt is authorized by the District's Board of Directors, subject to a referendum process. Individual revenue bond issues are authorized by the District's Board of Directors.

The annual debt principal and interest payments are charged to the operating budget. However, debt is only issued to finance capital investment activities.

Outstanding Debt

The Water System has total long-term debt outstanding of \$2.51 billion as of June 30, 2015. The District's debt issues are summarized below and discussed in detail thereafter.

OUTSTANDING DEBT				
(\$ Thousands)				
Projection as of June 30, 2015				
Issue	Date of Issue	Last Maturity	Amount Issued	Debt Outstanding
LONG-TERM DEBT				
Revenue Bonds:				
Series 2007B	5/23/2007	6/1/2019	54,790	24,940
Series 2008A	3/20/2008	6/1/2038	322,525	105,250
Series 2010A	2/3/2010	6/1/2031	192,830	185,700
Series 2010B (Build America Bonds)	2/23/2010	6/1/2040	400,000	400,000
Series 2012A	10/10/2012	6/1/2037	191,750	191,750
Series 2012B	11/13/2012	6/1/2026	358,620	312,250
Series 2013A	3/5/2013	6/1/2021	48,670	40,015
Series 2014A	6/11/2014	6/1/2035	128,315	128,315
Series 2014B	6/11/2014	6/1/2030	242,730	242,100
Series 2014C	6/26/2014	6/1/2044	75,000	75,000
Series 2015A	3/3/2015	6/1/2037	429,360	429,360
Total Revenue Bonds	-	-	\$2,444,590	\$2,134,680
General Obligations Bonds	-	-	\$0	\$0
Loans:				
State Loans (Parity)	1/1/2003	1/1/2023	2,188	13,932
State Loans (Parity)	5/22/2008	4/1/2028	20,100	1,120
Total Loans			\$22,288	\$15,052
Total Long-Term Debt			\$2,466,878	\$2,149,732
SHORT-TERM DEBT				
Extendable Commercial Paper	Various	Various	N/A	\$359,800
TOTAL OUTSTANDING DEBT				\$2,509,532

In FY15, the District refunded debt to take advantage of low market interest rates, generating substantial savings and decreasing its interest rate swap exposure. The District issued Water Revenue Bond Series 2015A that refunded for debt service savings all of the outstanding Series 2005A, 2007A, 2009A-1 and 2009A-2 bonds. This issue generated net present value savings of \$65 million over the 22 year life of the bonds. The refunding lowers debt service costs by approximately \$3 million per year in FY16 and FY17. Portions of the proceeds of the Series 2015A bonds were also used to terminate the interest rate swaps associated with the Series 2009A-1 and A-2 bonds.

The District intends to issue approximately \$90 million of new Water System revenue bond debt during the remainder of FY15. The budget assumes issuance of \$101 million in new Water System revenue bonds in FY16, and \$109 million in FY17.

Debt Service

The total Water System outstanding debt of \$2.51 billion projected as of June 30, 2015 will cost the District \$1.84 billion in interest payments over the next 29 years, as detailed in the chart below. This does not include debt expected to be issued before the end of FY15.

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 (ECP) were calculated initially at 1 percent in FY16, then increased to 2 percent in FY17 and thereafter.

Projected Debt Service on Outstanding Debt			
Fiscal Year	Principal	Interest	Debt Service
2016	49,258,291	109,944,304	159,202,595
2017	52,858,355	111,364,590	164,222,945
2018	59,114,024	108,858,771	167,972,795
2019	61,560,313	106,250,482	167,810,795
2020	64,307,237	103,320,059	167,627,295
2021	67,139,811	100,233,935	167,373,745
2022	69,968,050	97,126,345	167,094,395
2023	70,901,972	93,797,473	164,699,445
2024	72,076,592	90,371,553	162,448,145
2025	74,966,189	86,930,697	161,896,885
2026	76,353,697	83,332,588	159,686,285
2027	73,211,866	79,568,869	152,780,735
2028	76,770,711	75,944,025	152,714,736
2029	79,240,000	72,138,988	151,378,988
2030	84,350,000	68,216,688	152,566,688
2031	89,720,000	64,008,688	153,728,688
2032	94,020,000	59,742,761	153,762,761
2033	98,525,000	55,269,938	153,794,938
2034	102,975,000	50,857,535	153,832,535
2035	107,635,000	46,241,825	153,876,825
2036	118,885,000	41,123,533	160,008,533
2037	124,070,000	35,067,295	159,137,295
2038	133,215,000	28,561,948	161,776,948
2039	138,150,000	21,143,851	159,293,851
2040	35,460,000	13,028,920	48,488,920
2041	17,400,000	10,946,000	28,346,000
2042	18,270,000	10,076,000	28,346,000
2043	19,185,000	9,162,500	28,347,500
2044	20,145,000	8,203,250	28,348,250
Total	2,149,732,108	1,840,833,411	3,990,565,518

Includes \$0 required principal amortization for extendible commercial paper and does not include the Federal Build America Bonds interest subsidy.

The difference in the debt service from the budgeted amount results from two factors. First, the figures in the table above include only debt service on currently outstanding bonds while budgeted debt service includes interest and principal on new bonds expected to be issued in FY15, FY16, and FY17 to fund the capital improvement program. Second, budgeted figures include additional costs associated with the debt portfolio including liquidity fees, re-marketing fees, basis spread, and debt service administration.

Debt Ratings

Credit risk is the risk that the issuer of an investment, such as a revenue bond, will not fulfill its obligation to the holder of the investment. Credit ratings are assigned to bonds by nationally recognized statistical credit rating organizations based on published methodologies. The ratings reflect the organizations' opinions about the issuer's ability and willingness to meet its financial obligations. All investment grade ratings presume the obligation will be paid, in full and on time, currently and in the future.

Strong credit ratings provide tangible benefits to ratepayers in the form of reduced debt service cost. A strong credit rating provides better access to capital markets, lower interest rates, better terms on debt, and access to a greater variety of debt products. Prudent financial management policies have contributed to the District's strong ratings shown in the tables below.

As of January 1, 2015, ratings on the Water System's debt were as follows:

Water System Debt Ratings			
Debt by Type	Ratings by		
	Standard & Poor's	Moody's Investors Service	Fitch
Fixed Rate Revenue Bonds	AAA	Aa1	AA+
Variable Rate Revenue Bonds			
Long-term Underlying Rating	AAA	Aa1	AA+
Short-term Rating	A-1+	VMIG-1	F1+
Extendable Commercial Paper	A-1+	P-1	F1+

Debt Management Policy and Debt Service Coverage

The District is subject to legal debt limits prescribed in the Municipal Utility District (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 general debt indebtedness cannot exceed the ordinary annual income and revenue of the District without a two-thirds approval of the voters. However, revenue bonds are not included in general debt limits.

The District is authorized to issue revenue bonds with the approval of a resolution from the Board of Directors, subject to a 60-day referendum period. The resolution specifies the maximum principal amount of bonds that may be issued pursuant to the authorization. The District's Board of Directors also approves individual Series of Revenue Bonds issued under the broader authorization.

The MUD Act authorizes the District to issue short-term indebtedness without an election of the voters. The amount of short-term borrowing cannot exceed the lesser of 1) the annual average total revenue of the three preceding years or 2) twenty-five percent 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 in order to retain the District's financing flexibility and achieve the lowest cost of financing.

The District's debt management policy is to:

- a) maintain an annual revenue bond debt service 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.

Debt Service Coverage Ratio

The debt service coverage 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 parity debt. The revenue bond debt service 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 parity debt. In FY16 and FY17, the projected debt coverage ratios are 1.60 and 1.63 respectively.

Debt-Funded Capital

The percentage of the capital program that is funded by debt over the five year period FY16-20 will be 47 percent, which is lower than the financial policy maximum target of 65 percent.

Projected Debt Percentage of Funding		
(\$ Millions)		
	<u>FY16</u>	<u>FY17</u>
Expenditures:		
Capital Cash Flow (discounted)	184.5	196.1
Administration of Capital	<u>40.0</u>	<u>40.0</u>
Total expenditures	224.5	236.1
Project Funding:		
New Bond Funded	101.2	108.9
Prior Bond Funded	0.0	0.0
Grants and Loans Funded	2.5	1.9
Reimbursements Funded	21.2	24.8
Revenue Funded Capital	<u>99.6</u>	<u>100.5</u>
Total resources	224.5	236.1
Debt percentage of funding	45.1%	46.1%

Commercial Paper and Variable Rate Debt Ratio

The District has authorized a short-term extendable commercial paper (ECP) borrowing program consistent with the MUD Act and the District's debt management policy. Under this program, the District 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 ECP are secured by a pledge of the Water System's net revenues, subordinate to the respective System's revenue bonds.

On June 30, 2015, \$359.8 million of Water System ECP is projected to be outstanding under the program. Water System ECP will comprise less than 17 percent of the \$2.15 billion in outstanding long-term bonds.

Water System outstanding variable rate debt projected as of June 30, 2015 will be approximately \$105.2 million. Since the beginning of FY14, the District has converted over \$340 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 expects to finance its construction program through a combination of fixed-rate debt and ECP.

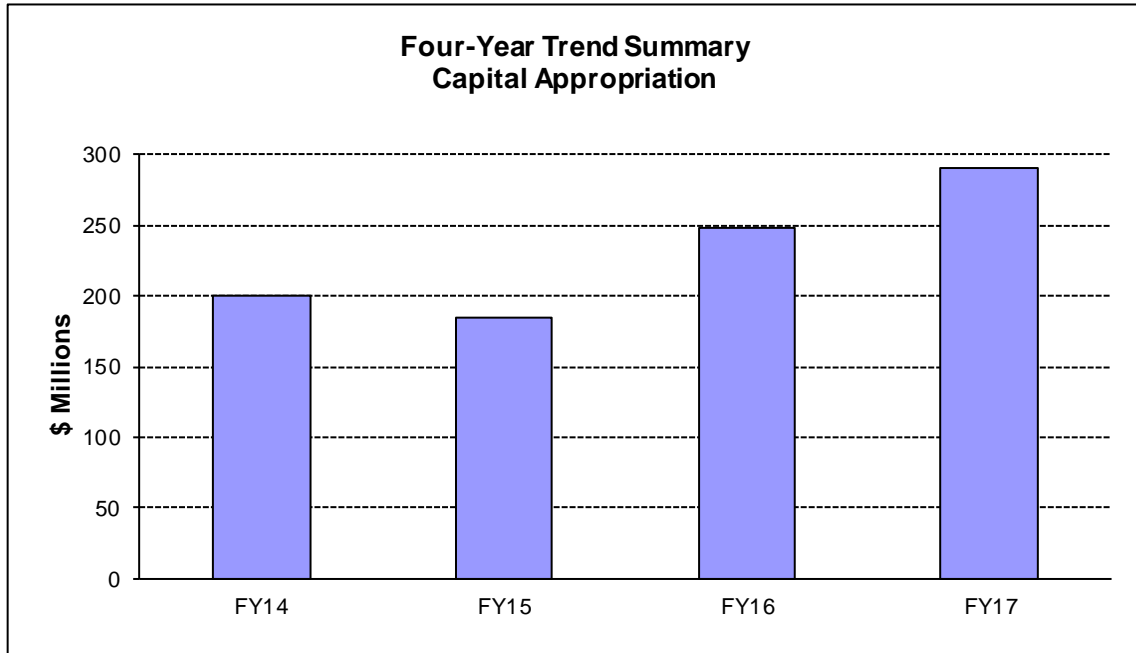
CAPITAL EXPENDITURES

The CIP consists of projects that typically result in the construction of new facilities, or the modification, rehabilitation or upgrade of existing facilities. Project costs include all expenditures required to study, plan, design, purchase, construct, or upgrade new or existing facilities. In addition, projects can include large equipment purchases and the creation or replacement of computer technology systems infrastructure.

Capital Appropriations

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 for each fiscal year will vary depending upon project scope and timing, and the amount of unspent appropriation a project may have.

The Water System's FY16 appropriation totals \$249.0 million, which represents an increase of \$64.0 million from FY15. This year's appropriation request reflects the District's continued commitment to capital improvements that focus on maintaining and improving the infrastructure, especially pipelines and reservoirs. In FY17, the appropriation is increasing by \$41.4 million to \$290.4 million.



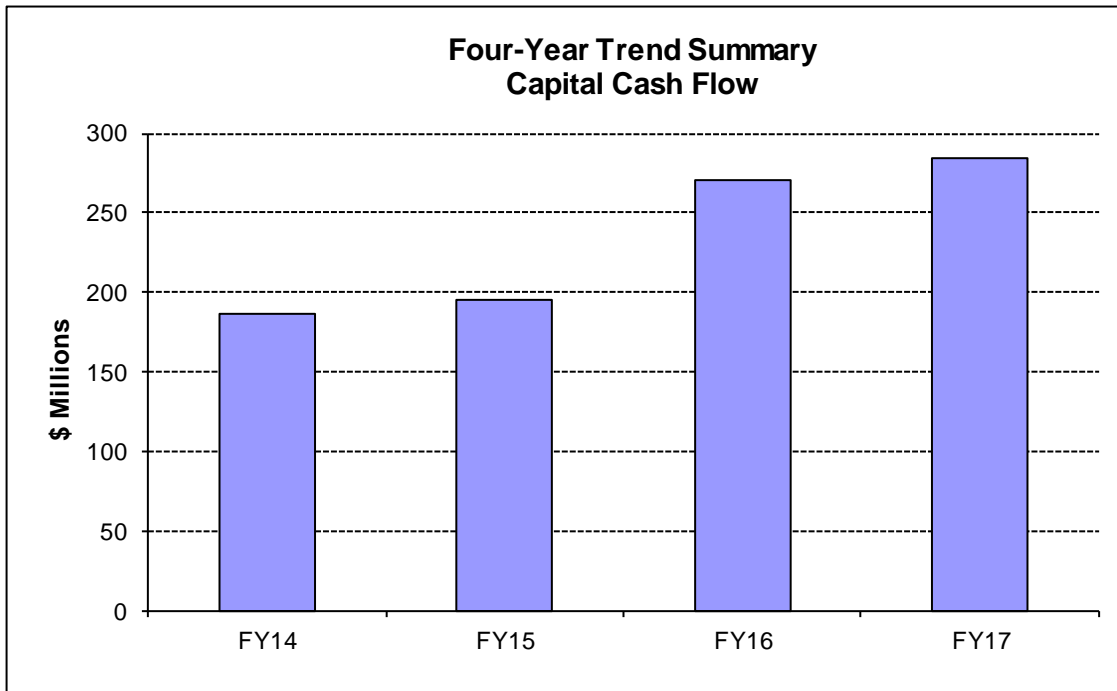
Capital Appropriation						
(\$ Millions)						
	FY14	FY15	FY16	FY16	FY17	FY17
	Adopted	Adopted	Adopted	vs FY15	Adopted	vs FY16
	Budget	Budget	Budget	% Change	Budget	% Change
Capital Appropriation*	200.8	185.0	249.0	34.6%	290.4	16.6%

*with Administration of Capital

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.

The Water System's FY16 cash flow totals \$224.5 million, which represents an increase of \$28.6 million from FY15. The increase is primarily for additional pipeline replacements and relocations, and reservoir rehabilitation work. In FY17, the cash flow is increasing by \$11.6 million to \$236.1 million primarily for increases in spending for pipelines, and to rehabilitate reservoirs and reservoir towers.



Capital Cash Flow (\$ Millions)						
	FY14 Adopted Budget	FY15 Adopted Budget	FY16 Adopted Budget	FY16 vs FY15 %Change	FY17 Adopted Budget	FY17 vs FY16 %Change
Capital Cash Flow*	186.1	195.9	224.5	14.6%	236.1	5.2%

*with Administration of Capital

Capital Labor

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

Capital Labor By Department (\$ Thousands)						
DEPARTMENTS	FY14 Actuals	FY15 Amended Budget	FY16 Adopted Budget	Budget % Change	FY17 Adopted Budget	Budget % Change
Operations & Maintenance Support	647	277	395	42.3%	401	1.5%
Maintenance & Construction	29,352	30,567	32,383	5.9%	33,150	2.4%
Water Operations	1,753	1,372	1,323	-3.6%	1,369	3.5%
Water Resources	1,741	1,486	1,410	-5.2%	1,247	-11.6%
Natural Resources	108	63	0	-100.0%	0	0.0%
Engineering & Construction	28,685	29,153	29,900	2.6%	30,456	1.9%
Office of the General Manager	1	0	0	0.0%	0	0.0%
Finance	163	0	434	0.0%	910	109.4%
Information Systems	194	401	752	87.3%	754	0.3%
Customer & Community Services	1,678	2,174	2,444	12.5%	2,487	1.7%
Human Resources	82	0	12	0.0%	17	41.7%
Office of the General Counsel	0	0	0	0.0%	0	0.0%
Water Recycling Program	4	0	0	0.0%	0	0.0%
Administration	0	0	0	0.0%	0	0.0%
Departments Total	64,409	65,493	69,053	5.4%	70,790	2.5%

The Water System capital labor budget is increasing \$3.6 million in FY16 and \$1.7 million in FY17 compared to the prior fiscal year to reflect the funding associated with additional positions supporting capital related work. The total labor increase in FY16 is offset due to a lower fringe benefit rate compared to FY15. In FY17, total capital labor increase is attributed to scheduled salary step changes and an increase in the fringe benefit rate.

Capital Program Highlights

The FY16-20 Water System Capital Improvement Program (CIP) requires \$1.41 billion in project appropriations. This represents an approximate increase of \$500 million or 54 percent from the FY14-18 CIP and is primarily due to increased appropriation needs of the Maintaining Infrastructure strategy for increasing the miles of deteriorated water distribution pipelines that are replaced each year, and the Water Supply strategy for replacing the deteriorated lining in the Mokelumne Aqueducts.

In accordance with the District's ten-year capital budget planning horizon, approximately \$2.1 billion has been tentatively identified for FY21-25. Key aspects of this future work are discussed in the program and project summaries in the following pages. These future year estimates will be revised as studies are completed, as 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 majority of the FY16-20 appropriations are comprised within three strategies: Maintaining Infrastructure at 44 percent; Water Supply at 26 percent; and Extensions and Improvements at 17 percent. All Water System strategies are summarized below, with select programs and projects discussed in more detail.

FY14-18 vs. FY16-20 Appropriation					
Capital Improvement Program by Strategy					
(\$ Thousands)					
Strategy	Appropriation		Change		% of FY16-20
	FY14-18	FY16-20	\$	%	
Emergency Preparedness*	0	0	0	0%	0%
Extensions & Improvements	225,688	237,302	11,614	5%	17%
Facilities, Services & Equipment	41,113	64,024	22,911	56%	5%
Maintaining Infrastructure	443,135	615,707	172,572	39%	44%
Regulatory Compliance	42,003	62,707	20,704	49%	4%
Resource Management	10,796	4,813	-5,983	-55%	0%
Water Quality	24,064	48,627	24,563	102%	3%
Water Supply	105,525	362,139	256,614	243%	26%
Non-Program Specific	22,317	14,200	-8,117	-36%	1%
Water Sub-total	914,641	1,409,519	494,878	54%	100%
Administration of Capital	175,000	207,345	32,345	18%	
Water Total	1,089,641	1,616,864	527,223	48%	

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

The FY16-20 CIP requires \$1.38 billion in projected cash flow spending. This represents a \$339 million increase or 33 percent from the FY16-18 CIP and is primarily due to increased spending under the Maintaining Infrastructure strategy for increasing the miles of deteriorated water distribution pipelines that are replaced each year, the Water Supply strategy for replacing the deteriorated lining in the Mokelumne Aqueducts, and the Extensions & Improvements strategy for pressure zone and water treatment plant improvements.

All water system strategies are summarized below, with select programs and projects discussed in more detail.

FY14-18 vs. FY16-20 Cash Flows					
Capital Improvement Program by Strategy					
(\$ Thousands)					
Strategy	Cash Flows		Change		% of FY16-20
	FY14-18	FY16-20	\$	%	
Emergency Preparedness	872	1,268	396	0%	0%
Extensions & Improvements	166,474	208,605	42,130	25%	18%
Facilities, Services & Equipment	40,989	60,568	19,579	48%	5%
Maintaining Infrastructure	451,774	514,023	62,250	14%	44%
Regulatory Compliance	61,097	73,329	12,232	20%	6%
Resource Management	10,778	7,306	-3,473	-32%	1%
Water Quality	27,390	39,625	12,235	45%	3%
Water Supply	101,867	263,559	161,692	159%	23%
Non-Program Specific	0	0	0	0%	0%
Water Sub-total	861,241	1,168,282	307,042	36%	100%
Administration of Capital	175,000	207,345	32,345	18%	
Water Total	1,036,241	1,375,627	339,387	33%	

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 (\$ Thousands)						
Programs	FY16	FY17	FY18	FY19	FY20	Total
Seismic Improvement Program	0	0	0	0	0	0
Total	0	0	0	0	0	0

Seismic Improvement Program

The objective of this program is to strengthen and upgrade the water treatment and distribution system to ensure post-earthquake water service. The program included upgrades to more than 250 critical facilities throughout the District including reservoirs, pipelines, pumping plants, water treatment plants, etc. 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 the Hayward Fault. While the program has been substantially completed, seismic work continues to strengthen and protect the water system, mostly as part of other programs.

A small amount of work will be done under SIP, but no new appropriations are needed. Work in FY16-17 includes installation of an isolation valve at Argyle No.1 Reservoir in El Sobrante. During FY15-17, four 1-million gallon per day diesel-powered portable pumps will be procured, along with piping and appurtenances needed to support both planned and emergency water distribution operations. These new pumps will move water within the Central Pressure Zone (PZ) located between Albany and Hayward, and from the Central PZ to the Aqueduct and Upper San Leandro PZs.

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. The programs included in this strategy are:

Appropriations (\$ Thousands)						
Programs	FY16	FY17	FY18	FY19	FY20	Total
Mapping Program	1,468	1,558	1,608	1,656	1,701	7,991
OP/NET Program	1,336	1,300	2,909	2,712	3,108	11,365
Pressure Zone Improvements Program	4,934	20,292	43,370	68,621	4,013	141,230
Walnut Creek - San Ramon Valley In-Zone Improvements Program	0	3,174	0	0	0	3,174
Water Treatment and Transmission Improvements Program	1,197	23,604	32,396	16,345	0	73,542
Total	8,935	49,928	80,283	89,334	8,822	237,302

Pressure Zone Improvements Program

The Pressure Zone Improvements Program addresses issues with the District's 123 pressure zones. It includes studying individual pressure zones and compiling the studies into the Distribution System Master Plan. 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:

- Almond/Fire Trail in Castro Valley – replace the 6.6 million gallon (MG) open-cut Almond Reservoir with two smaller tanks and demolish the 3.1 MG Cull Creek Reservoir in FY17-21;
- Central Oakland Hills Cascade in Oakland – complete the rehabilitation of the 39th Avenue/Redwood Pumping Plant (PP) in FY16, and replace the 39th Avenue Reservoir in FY19-21;
- Leland in Lafayette/Walnut Creek – replace the existing reservoir with two 8 MG concrete reservoirs in FY18-22;
- Maloney in El Sobrante/Pinole/Crockett – increase the capacity of the Maloney Pumping PP in FY16-19, make improvements to the Crockett PP and construct new transmission piping in FY21-24, begin planning for a new Selby Reservoir in FY24;
- Summit in Berkeley – replace the 37 MG open-cut Summit Reservoir and associated Woods and Shasta PP in FY15-17, construct Lawrence Reservoir in FY19-22; and
- West of Hills Transmission Improvements – includes over twenty projects including improvements at three water treatment plants, two pumping plants, five water storage reservoirs, and approximately 120,000 feet of transmission pipelines. To increase transmission capacity to the Wildcat Aqueduct, new pipeline will be constructed in Berkeley in FY16-19 and El Cerrito in FY19-21; to increase transmission capacity in the South 30 Aqueduct, new pipeline will be constructed in Oakland in FY19-21; to increase transmission capacity in the Sequoia Aqueduct, new pipeline will be constructed in Oakland in FY19-23; a new Fontaine PP in Oakland will be constructed in FY17-20; to allow the Genoa Rate Control Station in Oakland to operate at the required higher flow rates, new pipeline will be constructed in FY21-24; and to increase transmission capacity associated with North Reservoir in Richmond, new pipeline will be constructed in FY21-25.

Water Treatment and Transmission Improvements Program

The Water Treatment and Transmission Improvements Program (WTTIP) calls for new and upgraded facilities to meet current and projected water demands.

The program includes distribution improvements in the Lafayette, Orinda, Moraga and western Walnut Creek area including: a new 3.2 MGD Happy Valley Pumping Plant in Orinda in FY15-19; a new 1.5 MGD Sunnyside Pumping Plant in Lafayette in FY15-19; a new 2 MG Ardith Reservoir and Donald Pumping Plant in Orinda in FY16-18; constructing a new 3 MGD Withers PP in Lafayette in FY18-21; upgrades to the Fay Hill PP in Moraga and replacing the 2.5 MG open cut Fay Hill Reservoir with two smaller 0.75 MG tanks in FY17-19; and replacing or relining the 11.5 MG Moraga Reservoir in FY21-24.

The program also includes new facilities and upgrades to the Water Treatment Plants (WTPs) including: convert the existing air feed ozone generator to a liquid oxygen feed system at Sobrante WTP in El Sobrante and Upper San Leandro WTP in Oakland in FY15-18, and at both facilities take backwash water from the filters to a new filter-to-waste equalization basin to recycle it back to the head of the plant in FY17-21; a below-grade chlorine contact basin at the Sobrante WTP in FY20-22; and rebuilding the filters at the Walnut Creek WTP in FY18-20.

WTTIP is projected to be one of the District's most significant future programs with extensive improvements to be made at the Lafayette and Orinda WTPs.

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 vehicles and equipment as needed. The programs included in this strategy are:

Appropriations (\$ Thousands)						
Programs	FY16	FY17	FY18	FY19	FY20	Total
Area Service Center/Building Program	2,453	1,362	1,998	3,502	6,083	15,398
Communications Program	3,200	2,500	1,200	0	0	6,900
Security Program	1,041	1,880	375	2,625	3,646	9,567
Vehicle/Equipment Program	8,850	7,475	5,030	5,030	5,775	32,160
Total	15,544	13,217	8,603	11,157	15,504	64,025

Area Service Center/Building Program

The Area Service Center/Building Program is comprised of various projects that improve and upgrade District buildings such as service centers and administrative buildings. In FY16-20, the focus will be on the Oakland Administration Building.

FY15-17 work includes replacement of the Fire Alarm System; upgrades to the boilers for greater energy efficiencies; and upgrades to elevator controls. Energy efficiency projects include lighting retrofit and window film installation to be completed in FY19; and replacement of the cooling tower and chiller systems in FY19-20. Future work includes power feed and distribution improvements; security improvements; replacement of audio-visual equipment in the board room; and repairs to terraces and roofs.

Communications Program

The Communications Program is comprised of projects that replace and upgrade computer and communication systems. The Materials Management Information System (MMIS) that is used for purchasing and accounting purposes is over 25 years old and will be replaced in FY16-18, along with the PeopleSoft Financial Information System (FIS). The two systems share data and must be integrated. Various modules of the PeopleSoft Human Resources Information System (HRIS) will be replaced in FY16-19. Replacement of various work management systems including general work orders, and concrete and paving orders will take place in FY17-20.

Vehicles & Equipment Program

The Vehicle Replacements Project is ongoing and involves the periodic replacement of vehicles and construction equipment as needed. In FY16-20, the program also includes upgrading the District's fuel facilities by installing new fuel dispensers and enhanced vapor recovery equipment for the above ground storage tanks, and retrofitting or replacing diesel engines in vehicles and equipment such as portable pumps and generators to meet new air quality regulations.

MAINTAINING THE INFRASTRUCTURE STRATEGY

This strategy furthers the District's objectives to maintain and improve the infrastructure in a cost effective manner to ensure sustainable delivery of reliable, high quality water service now and in the future. The majority of work under this strategy focuses on pipeline projects to improve system reliability for existing customers and to provide service to new customers. The programs included in this strategy are:

Appropriations (\$ Thousands)						
Programs	FY16	FY17	FY18	FY19	FY20	Total
Corrosion Program	770	310	2,258	2,489	1,866	7,693
Electrical Hazard Prevention Program	363	287	223	146	0	1,019
Pipelines/Appurtenances Program	12,653	12,950	13,352	13,955	14,364	67,274
Pipelines/Regulators Program	51,664	61,284	97,512	81,988	81,820	374,268
Polybutylene Lateral Replacement Program	0	5,889	5,511	5,384	3,319	20,103
Pumping Plant Rehabilitation Program	3,512	12,395	11,156	20,482	3,466	51,011
Reservoir Rehabilitation Program	25,593	20,643	13,489	20,376	14,237	94,338
Total	94,555	113,758	143,501	144,820	119,072	615,706

Pipelines/Appurtenances Program

This program maintains efficient pipeline operations by replacing appurtenances such as valves, hydrants and meters at the end of their useful life. The New Service Installations Project installs services for new customers, and replaces old services at the end of their useful life. Services include taps on the main, laterals, and meter sets. Housing trends have reduced the need for installations at new developments. The number of new and replacement service installations in FY14-15 totaled 940 per year. In FY16-17, a similar number of installations are planned. In FY18-20, the number is expected to increase to about 1,040 per year.

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 Infrastructure Renewals is an ongoing project to replace deteriorating water distribution pipelines, identified primarily through the evaluation of maintenance histories. In FY14-15, pipeline replacements totaled 10 to 10.5 miles per year. FY16-20 work includes construction of 10 miles of pipeline replacements per year. In addition, the new "10 to 40" program will be initiated which includes development of a short-term program to replace an additional 5 miles per year; a pilot study researching methods and improvements to make the pipeline work process more efficient; and creation of a long-term plan to increase the replacement rate up to 40 miles per year.

Pipeline System Extensions is an ongoing project to serve new customers. The workload is estimated from projections of land development activity and trends in water service estimates in the New Business Office. Historically, the District averaged 12 miles of system extensions per year. However, demand has been reduced due to the economic downturn. In FY14-15, roughly 5 miles per year were installed. In FY16-17, roughly 6 miles per year is anticipated, increasing to 8 miles in FY18-20.

Large Diameter Pipelines is an ongoing project to replace the large transmission pipes that form the backbone of the distribution system, and to conduct condition assessments. FY16-20 work includes replacement pipeline at MacArthur/Davenport, Grand Avenue and International Boulevard in Oakland; Dingee in Berkeley; Alameda estuary crossing; Mario Way and Judy Lane in Lafayette; and Summit Pressure Zone (PZ) in Berkeley.

Pumping Plant Rehabilitation Program

The Distribution Pumping Plant Infrastructure Rehabilitation Plan was updated in 2014 and identifies the 47 highest priority facilities for rehabilitation or replacement. In FY16-20, work under the Pumping Plant Rehabilitation Program includes planning, design and construction at 28 pumping plant facilities, and the continuation of arc flash mitigation efforts.

Reservoir Rehabilitation Program

This program maintains the integrity of the distribution reservoirs and includes the rehabilitation, replacement and demolition of the District's steel and concrete reservoirs. The Reservoir Rehabilitation and Maintenance Project maintains and extends the service lives of the steel and 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 FY16-20, the program will focus on rehabilitating three to four steel reservoirs each year. In addition, three concrete reservoirs will be rehabilitated in FY16-17, Carisbrook and Montclair in Oakland, and San Ramon reservoir.

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. The 50 million gallon (MG) South Reservoir in Castro Valley will be demolished and replaced with a 9 MG concrete reservoir. The reservoir was removed from service in 2008 in response to roof leakage and construction of the new reservoir is scheduled for FY17-18. The San Pablo Clearwell is a 5.4-MG lined and roofed reservoir located in Kensington and will be replaced with two 2.7-MG concrete tanks in FY16-19. Seneca Reservoir, a 30 MG gallon open-cut reservoir located on approximately 20 acres near Highway 580 in Oakland is no longer in operation and will be removed in FY18. Beyond FY20, rehabilitation projects are planned for Central Reservoir in Oakland and North Reservoir in Richmond.

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 (\$ Thousands)						
Programs	FY16	FY17	FY18	FY19	FY20	Total
Dam Safety Program	21,835	11,415	2,920	450	1,175	37,795
Penn Mine Program	252	581	86	88	72	1,079
Remediation Program	675	3,000	0	2,130	1,650	7,455
Trench Spoils Program	0	847	13,815	843	873	16,378
Total	22,762	15,843	16,821	3,511	3,770	62,707

Dam Safety Program

This program upgrades dams, reservoir outlet towers, clearwells and spillways to meet flood and earthquake safety requirements. The Dam Seismic Upgrades Project includes safety evaluations and dam freeboard increases to improve seismic safety. Evaluations and/or safety reviews are planned for Dunsmuir Reservoir in Oakland, Moraga Reservoir, Leland Reservoir in Lafayette, and Sobrante Clearwell.

Seismic upgrade of Chabot Dam in San Leandro includes upgrades to the downstream slope and the dam crest to prevent slope instability and cracking during the maximum credible earthquake on the Hayward Fault, and improvements to the outlet tower. The work will take place in FY15-17. The Camanche Dam seismic improvements are dependent on California Division of Safety of Dams (DSOD) review and approval, but is planned to begin in FY17.

The Reservoir Tower Modifications Project provides for the seismic retrofit of reservoir towers. Upgrades to the Upper San Leandro Tower will take place in 15-17. Modifications to the Briones Reservoir Tower in Orinda are scheduled for FY16-19. Lafayette Reservoir Tower work consists of gate valve improvements as the seismic performance of the tower has been determined to be adequate. The Pardee Reservoir outlet tower was evaluated in FY13 and seepage from Pardee Tunnel is expected to be addressed in FY21.

Trench Spoils Program

Trench spoils material is generated from pipeline installation and repairs throughout the service area. The excavated trench spoils are temporarily stockpiled at three District-owned disposal sites for future reuse or disposal: Miller Road in Castro Valley, Briones in Orinda and Amador in San Ramon. The project includes site management and maintenance, periodic removal of trench spoils from the sites, and evaluation of potential spoils reduction and disposal alternatives. Off-haul of trench spoils will take place at the Miller Road site in FY16, and the Briones site in FY19-20. Spoils disposal is anticipated to increase by 50 percent starting in FY17 as the District embarks on a pilot program to increase the amount of pipeline installed.

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 plans to protect natural resources and ensure drinking water quality. Work under this strategy focuses on making improvements to recreational facilities at Camanche, Pardee and East Bay Reservoirs, and updating habitat and watershed management plans. The programs included in this strategy are:

Appropriations (\$ Thousands)						
Programs	FY16	FY17	FY18	FY19	FY20	Total
Recreation Areas Program	135	100	400	0	0	635
Watershed Recreation Program	1,435	943	663	582	555	4,178
Total	1,570	1,043	1,063	582	555	4,813

Recreation Areas Program

The Camanche Recreation Area Upgrades Project provides campground and road improvements. Improvements at campgrounds include site drainage and storm water management; new parking spurs; rehabilitation of roads with recycled asphalt; new signage and striping for traffic control; and new picnic tables and fire rings. Construction of the South Shore campground improvements and day use roads will be completed in FY16.

In FY15-16, dilapidated portions of the Pardee marina and rental docks will be replaced. In FY16, the above ground fuel tank at Camanche South Shore will be upgraded or replaced. In FY17, at Camanche North Shore road repairs will be addressed, and the piping and delivery equipment will be replaced between the fuel tanks and floating fuel dock. In FY18-19, the general store building at Camanche South Shore will be replaced, and the Pardee Recreation Area coffee shop will be replaced in FY19-20.

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 FY16-20, recreation projects at the San Pablo and Lafayette Recreation Areas include parking lot and trail staging area improvements; visitor center, cafe and retail upgrades; marina improvements and new docks; water and sewer system upgrades; and repaving roadways. Watershed projects include habitat restoration and hazardous tree removal; annual replacement of old fire pumps; boundary fence upgrade and replacement; infrastructure upgrades at the Orinda Watershed Headquarters; and Division of Safety of Dams required upgrades at Upper San Leandro and San Pablo Reservoirs.

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 (\$ Thousands)						
Programs	FY16	FY17	FY18	FY19	FY20	Total
Water Quality Improvement Program	20	20	-	0	0	40
Water Treatment Upgrade Program	12,752	3,406	20,782	5,327	6,320	48,587
Total	12,772	3,426	20,782	5,327	6,320	48,627

Water Treatment Upgrade Program

The Treatment Plant Upgrades Project addresses the need to rehabilitate and modernize the water treatment plants (WTPs).

In FY16-20, work is planned at six WTPs. Work at Lafayette includes the replacement of equipment such as the ammonia tank, backwash transfer pumps, filter valves, etc.; and the rehabilitation of the equalization basin and service water mains. Work at Orinda includes the replacement of all 20 filter underdrains and control systems; sodium hypochlorite room upgrades; chemical building ventilation; and plant emergency power. Work at San Pablo includes plant startup work and installation of a plug for the raw water tower. Work at Sobrante includes repair of sludge piping and reclaim roofs and filter underdrains; a new oxygenation system in San Pablo Reservoir; and control system and permanganate feed system upgrades. Work at Upper San Leandro (USL) includes sludge thickening; raw water line valve replacement; west portal site improvements; controls systems upgrade; and clearwell roof replacement. Work at Walnut Creek includes sludge thickening and sedimentation basin chemical feed improvements.

Work in FY21-25 includes control system and reclaim improvements at Lafayette WTP; filter underdrain repairs and stop logs at Sobrante WTP; stop log installation and a new flocculator stage at USL WTP; and construction of a new pretreatment process at the Walnut Creek and Orinda WTPs.

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 augment the District's water supply; and through conservation and recycling reduce the demand for potable water. The immediate focus of this strategy is on maintaining the raw water aqueducts and water recycling projects. The programs included in this strategy are:

Appropriations (\$ Thousands)						
Programs	FY16	FY17	FY18	FY19	FY20	Total
Aqueduct Program	34,522	44,435	41,872	8,736	99,808	229,373
Supply Reservoirs Program	1,839	443	762	899	418	4,361
Water Conservation Program	3,485	3,796	3,655	3,727	3,833	18,496
Water Recycling Program	11,958	404	74,085	21,988	1,474	109,909
Water Supply Management Program	0	0	0	0	0	0
Total	51,804	49,078	120,374	35,350	105,533	362,139

Aqueduct Program

This program consists of evaluating and improving the raw water aqueduct system to meet operational requirements. Work to recoat portions of the ten miles of above-ground pipe of the Mokelumne Aqueducts Nos. 2 and 3 was completed in FY15. In FY16-21, various portions of Aqueduct No.1 will be recoated. The program also includes replacing the deteriorated cement lining in the Mokelumne Aqueducts that protects the steel pipeline from corrosion. In FY16-17, work includes comprehensive inspection of the Aqueducts Nos. 2 and 3 to determine the extent of the lining failures, and then initiate the planning and design of projects to replace the lining. In FY18-24, work includes relining the aqueducts in stages.

Under the Raw Water Studies and Improvements Project work in FY16-17 includes continuing retrofits of the temperature anchors on the Mokelumne Aqueducts, and inspections of the Lafayette No. 2 Aqueduct and Pardee Tunnel. Work on the Delta Tunnel Project will include geotechnical investigations and reassessment of the seismic vulnerability of the Mokelumne Aqueducts in the Delta to guide future improvements. In FY18-20, work includes continuing retrofit of the temperature anchors on Mokelumne Aqueduct No. 1 and the isolation bearings on Aqueduct No. 3. Beyond FY20, planned work includes continuing the temperature anchor and isolation bearing retrofits; additional planning/design for the Delta Tunnel; installing river bypass turnouts on Mokelumne Aqueduct No. 3; and installing a liner in Lafayette Aqueduct No. 1.

Water Conservation Program

The District adopted an updated Urban Water Management Plan in 2010 to reduce potable water demand to achieve an additional 39 million gallons per day (MGD) in water savings from conservation programs and natural replacement by the year 2040. This is in addition to the 23 MGD of estimated conservation achieved through 2009. Customers have continued to achieve substantial water savings through their drought response including participation in District conservation incentives, water use and leak detection surveys and education programs. Water savings remained higher than long-term annual averages due to ongoing demand reductions from the drought, and heightened interest in water efficient technologies and practices.

In recognition of the anticipated ongoing drought conditions, in addition to the baseline conservation programs, a number of WCMP strategies will be accelerated over the next several years including: expanded indoor and outdoor rebates; water saving device distribution; landscape irrigation water budgets; Home Water Reports for residential customers; water loss

control programs; advanced metering infrastructure; and WaterSmart Business Certification. A key priority will be to update and finalize per capita water use calculations and targets.

Water Recycling Program

In 2009, the District 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 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 first phase of the project (I-80 pipeline, distribution pipelines in Berkeley and Albany, and customer retrofits) is expected to continue through FY26. The second phase of the project to provide an estimated 1.2 MGD of recycled water to Alameda will be implemented in FY18-27.

The San Ramon Valley Recycled Water Program is a joint program with the Dublin San Ramon Services District to 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. Expansion of the tertiary treatment facilities from 9.7 MGD to 16.5 MGD is expected by FY20 as the distribution system is expanded and additional customers connected.

The Richmond Advanced Recycled Expansion (RARE) Water Project could be expanded incrementally by an additional 0.5 MGD in FY17, and an additional 1.0 MGD in FY20-22. Expansion of the North Richmond Water Recycling Plant (NRWRP) by an additional 1 MGD is expected by FY20 pending supply availability. The plant serves the Chevron refinery in Richmond. The expansion study was completed in FY15 and construction is to begin in FY18. It is anticipated that the cost of these expansions will be borne by Chevron through reimbursements paid to the District.

Planning studies have been conducted with the Diablo Country Club to evaluate a potential satellite treatment plant. Diablo Country Club is interested in funding a pilot plant in FY17, and Moraga Country Club is interested in constructing a plant by FY18.

Long-term water recycling projects that may take place beyond FY20 include expansion of the San Leandro project to expand recycled water delivery 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

Supplemental water supply efforts will be pursued to meet dry year needs that include water transfers, Mokelumne regional projects, ground water banking, and regional desalination. In FY16-20, the District will continue to work with the Placer County Water Agency to complete environmental reviews needed to implement a long-term water transfer project and, if needed, obtain dry year water through temporary water transfers. Engineering is expected to be completed on the groundwater banking demonstration project, and preliminary planning will continue for other supplemental supply efforts.

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 (\$ Thousands)						
Programs	FY16	FY17	FY18	FY19	FY20	Total
Contingency Program	1,100	4,100	3,000	3,000	3,000	14,200
Total	1,100	4,100	3,000	3,000	3,000	14,200

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 advanced metering infrastructure (AMI) fixed network collectors to provide customers with the information they need to effectively manage their own water use with consumption information and leak detection; and water conservation rebates.

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:

- CUS – Customer and Community Services 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	Dept	Prior Approp	FY16-20 APPROPRIATIONS (IN 000's)					5 YR TOTAL
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	
EMERGENCY PREPAREDNESS								
Seismic Improvement								
Reservoir Upgrades SIP	ENG	74,062	0	0	0	0	0	
Transmission System SIP	ENG	7,667	0	0	0	0	0	
Seismic Improvement Total		81,729	0	0	0	0	0	
EMERGENCY PREPAREDNESS TOTAL		81,729	0	0	0	0	0	

Capital Improvement Projects	Dept	Prior Approp	FY16-20 APPROPRIATIONS (IN 000's)					5 YR TOTAL
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	
EXTENSIONS AND IMPROVEMENTS								
Mapping								
CAD/CAM Mapping, Documentation	ENG	29,888	1,468	1,558	1,608	1,656	1,701	7,990
Mapping Total		29,888	1,468	1,558	1,608	1,656	1,701	7,990
OP/NET								
OP/NET System	WOD	23,121	1,336	1,300	2,909	2,712	3,108	11,365
OP/NET Total		23,121	1,336	1,300	2,909	2,712	3,108	11,365
Pressure Zone Improvements								
Almond/Fire Trail PZI	ENG	11,234	44	582	0	0	0	626
Cent Oakland Hills Cascade PZI	ENG	25,816	0	230	235	13,009	0	13,474
Colorados Pressure Zone Imprv	ENG	155	50	750	0	2,594	3,470	6,864
Distribution System Upgrades	ENG	5,725	0	202	530	536	543	1,811
Enterprise Hyd WQ & Op Modi	ENG	500	20	0	0	0	0	20
Leland Pressure Zone Impr	ENG	7,181	940	0	25,024	0	0	25,964
Maloney PZ Improvements	ENG	24,551	2,930	0	0	0	0	2,930
Pressure Zone Planning Program	ENG	2,684	0	0	22	0	0	22
Purdue PZI	ENG	5,000	0	1,856	0	0	0	1,856
So Oakland Hills Cascades PZI	ENG	221	134	2,056	0	0	0	2,190
Summit Pressure Zone Improve	ENG	40,259	0	0	0	14,300	0	14,300
USL Pressure Zone Impr	ENG	672	0	0	0	0	0	0
Water Demand Projection Update	ENG	300	0	250	0	0	0	250
West of Hills Transmission	ENG	36,932	816	14,366	17,559	38,182	0	70,923
Pressure Zone Improvements Total		161,231	4,934	20,292	43,370	68,621	4,013	141,230
WC-SRV In Zone Improvements								
Diablo PZ Improvements	ENG	10,381	0	3,174	0	0	0	3,174
WC-SRV In Zone Improvements Total		10,381	0	3,174	0	0	0	3,174
Water Trmt and Trans Impr								
Tice Pumping Plant	ENG	1,339	0	11,550	0	0	0	11,550
WTTIP Distribution Improvs	ENG	40,246	997	5,309	5,825	750	0	12,881
WTTIP WTP Improvements	ENG	38,431	200	6,745	26,571	15,595	0	49,111
Water Trmt and Trans Impr Total		80,017	1,197	23,604	32,396	16,345	0	73,542
EXTENSIONS AND IMPROVEMENTS TOTAL		304,637	8,935	49,928	80,283	89,334	8,822	237,302

Capital Improvement Projects	Dept	Prior Approp	FY16-20 APPROPRIATIONS (IN 000's)					5 YR TOTAL
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	
FACILITIES, SERVC AND EQUIP								
Area Service Center/Bldg Prog								
Adm Bldg Modifications	ENG	19,294	495	887	1,774	1,927	2,000	7,083
Buildings Assessment & Improve	ENG	3,747	831	0	60	1,402	3,900	6,193
East Area Service Center	ENG	9,440	0	0	0	0	0	0
Meter Test Facility	MCD	0	750	0	0	0	0	750
Minor Facility Improvements	OSD	2,647	377	475	164	173	183	1,371
Area Service Center/Bldg Prog Total		35,129	2,453	1,362	1,998	3,502	6,083	15,397
Communications								
Data & Telecom Infrastructure	ISD	3,173	300	0	0	0	0	300
FIS Replacement	ISD	0	200	2,300	0	0	0	2,500
HRIS Replacement	ISD	500	2,700	0	0	0	0	2,700
MMIS Replacement	ISD	4,000	0	0	0	0	0	0
Work Mgmt Systems Replacement	ISD	0	0	200	1,200	0	0	1,400
Communications Total		7,673	3,200	2,500	1,200	0	0	6,900
Security								
VA Security System Imprmts	OSD	22,511	1,041	1,880	375	2,625	3,646	9,567
Security Total		22,511	1,041	1,880	375	2,625	3,646	9,567
Vehicle/Equipment								
Veh & Hvy Equip Additions, Wtr	MCD	12,057	915	547	0	0	0	1,462
Vehicle Replacements	MCD	74,749	5,000	5,000	5,000	5,000	5,000	25,000
Diesel Engine Retrofit	OSD	10,635	1,695	1,898	0	0	745	4,338
Fueling Facility Upgrades	OSD	5,100	1,240	30	30	30	30	1,360
Vehicle/Equipment Total		102,541	8,850	7,475	5,030	5,030	5,775	32,160
FACILITIES, SERVC AND EQUIP TOTAL		167,853	15,544	13,217	8,603	11,157	15,504	64,024

Capital Improvement Projects	Dept	Prior Approp	FY16-20 APPROPRIATIONS (IN 000's)					5 YR TOTAL
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	
MAINTAINING INFRASTRUCTURE								
Corrosion								
Aqueduct Cathodic Protection	ENG	3,022	60	310	435	670	0	1,475
Dist Sys Corrosion Protection	ENG	8,593	0	0	1,078	1,099	1,121	3,298
Trans Main Cathodic Protection	ENG	1,841	710	0	745	720	745	2,920
Corrosion Total		13,456	770	310	2,258	2,489	1,866	7,693
Electrical Hazard Prevent Pgm								
Electrical Hazard Prevention	ENG	1,743	363	287	223	146	0	1,019
Electrical Hazard Prevent Pgm Total		1,743	363	287	223	146	0	1,019
Pipelines/Appurtenances								
Hydrants Installed by DF	ENG	17,350	1,200	1,200	1,200	1,400	1,500	6,500
New Service Installations	ENG	154,310	8,500	8,700	9,000	9,300	9,500	45,000
Meter Replacements	MCD	32,268	1,853	1,917	1,985	2,054	2,126	9,935
Pipeline Appurtenances	MCD	10,726	1,100	1,133	1,167	1,201	1,238	5,839
Pipelines/Appurtenances Total		214,654	12,653	12,950	13,352	13,955	14,364	67,274
Pipelines/Regulators								
Large Diameter Pipelines	ENG	86,828	0	0	33,000	19,678	16,197	68,875
Pipeline Infrastruct Renewals	ENG	195,453	33,321	42,662	43,925	45,177	46,496	211,581
Pipeline Relocations	ENG	36,148	8,085	6,600	6,050	5,583	5,647	31,965
Pipeline System Extensions	ENG	124,968	6,308	6,497	8,966	9,281	9,604	40,656
Pipeline System Improvements	ENG	35,357	0	0	1,136	1,169	3,676	5,981
Rate Control Station Rehab	ENG	6,042	100	2,755	4,435	1,100	100	8,490
Regulator Rehabilitation	ENG	15,794	3,850	2,770	0	0	100	6,720
Pipelines/Regulators Total		500,590	51,664	61,284	97,512	81,988	81,820	374,268
Polybutylene Lateral Replcmt								
Srvc Latl Repl Polybutylene	ENG	180,877	0	5,889	5,511	5,384	3,319	20,103
Polybutylene Lateral Replcmt Total		180,877	0	5,889	5,511	5,384	3,319	20,103
Pumping Plant Rehabilitation								
Pumping Plant Rehabilitation	ENG	83,602	3,512	9,953	8,637	17,862	760	40,724
Small Capital Improvements	MCD	8,088	0	2,442	2,520	2,620	2,706	10,288
Pumping Plant Rehabilitation Total		91,690	3,512	12,395	11,156	20,482	3,466	51,012
Reservoir Rehab Program								
Open Cut Reservoir Rehab	ENG	41,107	12,100	153	4,125	0	0	16,378
Reservoir Rehab/Maintenance	ENG	96,886	13,493	20,490	9,364	20,376	14,237	77,960
Reservoir Access Roads	WOD	2,889	0	0	0	0	0	0
Reservoir Rehab Program Total		140,882	25,593	20,643	13,489	20,376	14,237	94,338
MAINTAINING INFRASTRUCTURE TOTAL		1,143,892	94,555	113,759	143,501	144,820	119,073	615,707

Capital Improvement Projects	Dept	Prior Approp	FY16-20 APPROPRIATIONS (IN 000's)					5 YR TOTAL
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	

NON-PROGRAM SPECIFIC							
Non-Program Specific							
Contingency Project Water	FIN	49,020	1,100	4,100	3,000	3,000	14,200
Non-Program Specific Total		49,020	1,100	4,100	3,000	3,000	14,200
NON-PROGRAM SPECIFIC TOTAL		49,020	1,100	4,100	3,000	3,000	14,200

REGULATORY COMPLIANCE							
Dam Safety							
Dam Operational Upgrades	ENG	6,212	220	0	2,000	150	1,000
Dam Seismic Upgrades	ENG	28,291	150	11,400	0	0	11,550
Dam Surveillance Improvements	ENG	6,958	180	15	920	300	1,590
Reservoir Tower Modifications	ENG	14,197	21,285	0	0	0	21,285
San Pablo Dam Seismic Mods	ENG	82,588	0	0	0	0	0
Dam Safety Total		138,246	21,835	11,415	2,920	450	1,175
Penn Mine							
Penn Mine Remediation	OSD	17,388	252	581	86	88	72
Penn Mine Total		17,388	252	581	86	88	72
Remediation							
Upcountry WW Trmt Imprvmts	OSD	20,278	675	3,000	0	2,130	1,650
Remediation Total		20,278	675	3,000	0	2,130	1,650
Trench Spoils							
Trench Spoils Disposal Sites	ENG	16,648	0	847	13,815	843	873
Trench Spoils Total		16,648	0	847	13,815	843	873
REGULATORY COMPLIANCE TOTAL		192,561	22,762	15,842	16,821	3,511	3,770
							62,707

Capital Improvement Projects	Dept	Prior Approp	FY16-20 APPROPRIATIONS (IN 000's)					5 YR TOTAL
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	

RESOURCE MANAGEMENT							
Recreation Areas							
Camanche Rec Area Upgrades	ENG	6,041	135	0	0	0	135
Pardee/Cam Rec Areas Impr Plan	NRD	7,069	0	400	0	0	500
Recreation Areas Total		13,110	135	100	400	0	635
Watershed Recreation							
East Bay Watershed Rec Projs	NRD	9,232	820	375	310	285	200
F&W Projects and Mok Hatchery	NRD	3,113	115	443	178	197	180
Mokelumne Watershed Rec HQ	NRD	4,260	400	0	0	0	400
Mokelumne Watershed Rec Projs	NRD	4,588	100	125	175	100	175
Pinole Valley Miti. Bank Plan	NRD	1,055	0	0	0	0	0
Watershed Recreation Total		22,248	1,435	943	663	582	4,178
RESOURCE MANAGEMENT TOTAL		35,358	1,570	1,043	1,063	555	4,813

WATER QUALITY							
Water Quality Improvement							
Distrib Sys Wtr Quality Imprv	WOD	14,855	20	20	0	0	40
Water Quality Improvement Total		14,855	20	20	0	0	40
Water Treatment Upgrade							
Treatment Plant Upgrades	ENG	59,026	12,385	3,022	20,377	4,900	5,869
Minor WTP Capital Work	WOD	2,859	367	384	405	427	451
Water Treatment Upgrade Total		61,885	12,752	3,406	20,782	5,327	6,320
WATER QUALITY TOTAL		76,740	12,772	3,426	20,782	5,327	6,320

Capital Improvement Projects	Dept	Prior Approp	FY16-20 APPROPRIATIONS (IN 000's)					5 YR TOTAL
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	
WATER SUPPLY								
Aqueduct Program								
Mok Aqu No 2 & 3 Relining Proj	ENG	7,200	29,199	32,748	26,758	0	28,281	116,986
Mokelumne Aqueduct Recoating	ENG	37,915	500	4,900	0	0	0	5,400
Raw Water Studies and Improves	ENG	44,681	4,036	6,137	14,143	7,650	70,645	102,611
Raw Wtr Aq O&M Imprvmts	WOD	40,095	787	650	971	1,086	882	4,376
Aqueduct Program Total		129,891	34,522	44,435	41,872	8,736	99,808	229,373
Supply Reservoirs								
Cam So Shore WTP Replacement	WOD	4,434	0	0	0	0	0	0
Enhanced Power Revenue	WOD	9,588	0	0	0	0	0	0
Pardee Ctr Cap Maint & Imprvmt	WOD	1,351	100	103	106	109	112	530
Powerhouse Improvements	WOD	7,765	1,682	0	450	500	0	2,632
Rec Area Cap Maint & Imprvmt	WOD	3,136	0	250	155	260	268	933
Wtr Supply Monitoring System	WOD	1,610	57	90	51	30	38	266
Supply Reservoirs Total		27,883	1,839	443	762	899	418	4,361
Water Conservation								
Water Conservation Project	CUS	56,351	3,485	3,796	3,655	3,727	3,833	18,496
Water Conservation Total		56,351	3,485	3,796	3,655	3,727	3,833	18,496
Water Recycling								
East Bayshore	WRD	55,408	0	0	2,419	1,147	621	4,187
RARE Water Project	WRD	58,991	5,645	166	872	20,575	180	27,438
SRV Recycled Water Program	WRD	69,171	0	0	5,000	0	0	5,000
Water Recycling WSMP	WRD	13,351	2,722	25	67	25	417	3,256
No Richmond Recy Wtr Fac Impr	WRP	9,054	3,591	213	65,727	241	256	70,028
Water Recycling Total		205,975	11,958	404	74,085	21,988	1,474	109,909
Water Supply Mgmt Program								
Folsom South Canal Connection	ENG	253,710	0	0	0	0	0	0
Add Supplemental Supply Projs	WRD	103,157	0	0	0	0	0	0
Bayside Groundwater Project	WRD	58,164	0	0	0	0	0	0
Freeport Regional Wtr Project	WRD	251,140	0	0	0	0	0	0
Water Supply Mgmt Program Total		666,171	0	0	0	0	0	0
WATER SUPPLY TOTAL		1,086,271	51,804	49,078	120,374	35,350	105,533	362,139
APPROPRIATIONS SUMMARY (IN 000'S)								
Prior			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	5 YR TOTAL
3,138,061			209,042	250,392	394,427	293,080	262,578	1,409,518

DROUGHT CONTINGENCY

At the time of this budget development, the District's service area, as well as the State, is experiencing a multi-year drought. In an effort to provide a contingency plan in the event the drought continues into FY16-17, this budget includes funding to address the specific drought-related expenditures that would arise if dry conditions persist. The recovery of drought contingency expenditures would be achieved through the implementation of drought rates approved by the Board of Directors. Therefore, the drought contingency funding has been excluded from establishing the 'normal' rates and charges for FY16-17.

The inclusion of the drought contingency in this budget provides the District the authorization to spend up to the full appropriation shown below, if needed. Any additional appropriation above the drought contingency amount would require Board consideration and approval.

The total appropriation is \$64.2 million in FY16 and \$62.1 million for FY17. As shown in the below table, the primary drivers for the drought contingency is the cost associated with the purchase and treatment of supplemental water, and additional costs associated with increased system operations associated with terminal reservoir treatment.

FY16-17 Drought-Related Appropriations		
(\$ Millions)		
Description	FY16	FY17
Water purchase, treatment and delivery	55.8	55.8
Additional treatment costs at terminal reservoirs	6.1	3.0
Labor and benefits for limited-term positions	1.3	1.7
Various non-labor expenses such as public outreach workshops, development of education materials, additional postage for drought-related materials, customer home water reports	1.0	1.5
Total Appropriation	64.2	62.1

Additional capital appropriations of \$0.6 million in FY16 and FY17 have been included in the Water System capital contingency to account for a higher level of conservation rebates that may occur.

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 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 6.4 percent 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 4.3 percent per year during the five-year period, while debt service grows by an average of 6.6 percent per year.

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

- Inflation
- Increasing labor and benefits costs
- Impact of drought on customer demand and 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 the administration of capital, is projected at \$1.38 billion over the five-year period. Major programs or projects to be undertaken during this period include the: Pipelines, Regulators and Appurtenances programs (\$429 million); Raw Water Aqueduct Improvements (\$153 million); Water Recycling (\$141 million); Pressure Zone Improvements program (\$135 million); Reservoir Rehabilitation program (\$100 million); Water Treatment and Transmission (\$92 million); and the Pumping Plant Rehabilitation program (\$75 million).

The projected average percentage of capital funded from debt will be 47.2 percent over the five-year period, lower than the financial policy target maximum of 65 percent. In FY16 and FY17, the debt coverage ratio is projected to be 1.60 and 1.63, 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.

WATER SYSTEM FUND – OPERATING BUDGET							
FIVE-YEAR FINANCIAL FORECAST							
(\$ Millions)							
	Actual FY14	Budget FY15	Forecast				
			FY16	FY17	FY18	FY19	FY20
Beginning Balance	-	-	331.6	319.0	315.6	325.8	329.4
Water Charges	367.0	391.8	422.8	453.0	483.5	519.5	549.0
Seismic Surcharges	22.6	24.6	0.0	0.0	0.0	0.0	0.0
Property Taxes	25.5	23.8	24.5	25.1	25.7	26.4	27.0
Power Sales	1.3	5.7	3.5	3.5	5.7	5.7	5.7
Interest Income	1.5	4.0	1.7	3.3	5.1	5.2	5.3
SCC Revenue	20.5	23.3	24.6	26.0	27.4	29.0	30.6
Reimbursements	10.9	10.5	10.9	11.2	11.6	11.9	12.3
All Other Revenue	24.0	16.5	17.2	17.4	17.5	17.7	17.9
Operating Revenues Total	473.3	500.2	505.2	539.5	576.5	615.4	647.8
Revenue Funded Capital	81.0	85.6	99.6	100.5	97.2	118.0	123.9
Operations	226.7	246.9	248.3	262.2	273.0	283.0	293.6
Debt service	142.3	163.2	169.9	180.2	196.1	210.8	219.8
Expenses Total	450.0	495.7	517.8	542.9	566.3	611.8	637.3
Ending Balance	-	-	319.0	315.6	325.8	329.4	339.9
Policy Reserves	-	-	149.3	152.8	155.5	158.0	160.6

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

WATER SYSTEM FUND – KEY ASSUMPTIONS							
FIVE-YEAR FINANCIAL FORECAST							
	Actual FY14	Budget FY15	Forecast				
			FY16	FY17	FY18	FY19	FY20
Projected Sales Volume (mgd)	167.5	166.0	151.0	151.0	154.0	157.0	160.0
% Rate Increase	9.75%	9.5%	8.0%	7.0%	5.0%	5.0%	4.0%
Debt Service Coverage	1.66	1.67	1.60	1.63	1.64	1.66	1.69
Average monthly single family residential bill (\$) based on 10 ccf/month	\$44.41	\$48.60	\$52.17	\$55.83	\$58.62	\$61.55	\$64.01

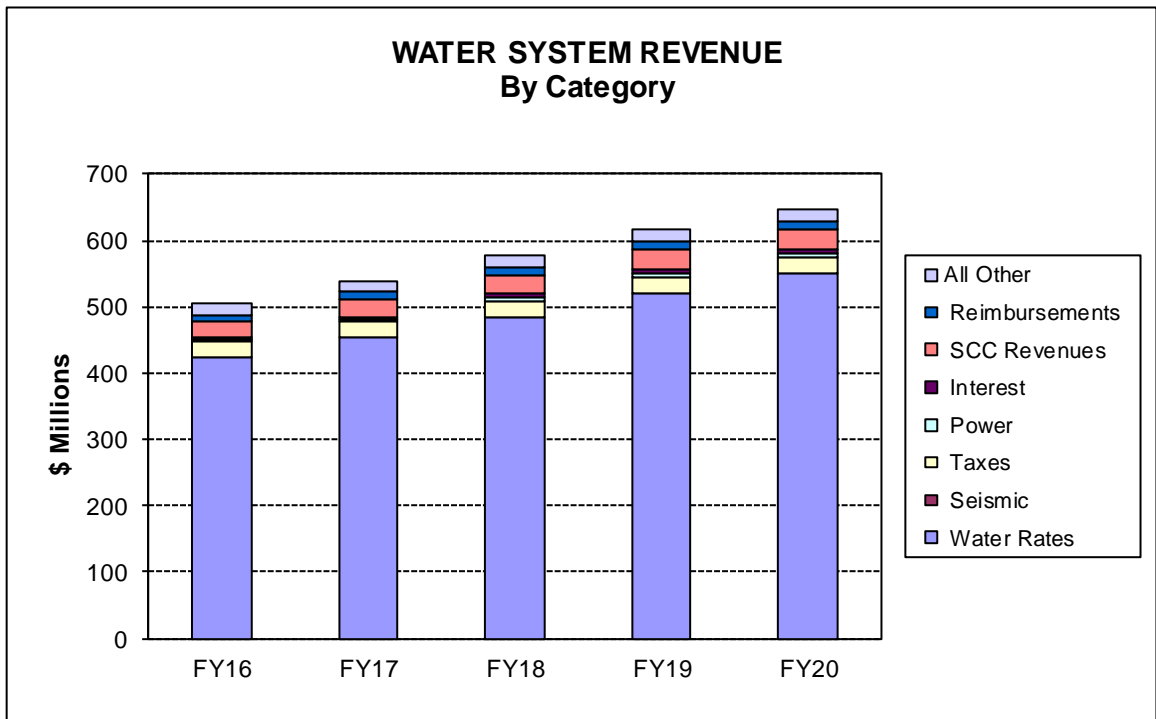
Five Year Projection of Revenues

The key factors driving the need for increased Water System revenues are: inflation, increasing labor costs, the impact of the drought on water demand, 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 \$505.2 million in FY16 to \$647.8 million by FY20, an increase of \$142.6 million or 28 percent. 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 \$422.8 million in FY16 to \$549.0 million in FY20 based on water rate increases; interest rate increases as they recover from historic lows; and increased SCC revenues from \$24.6 million in FY16 to \$30.6 million in FY20 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.



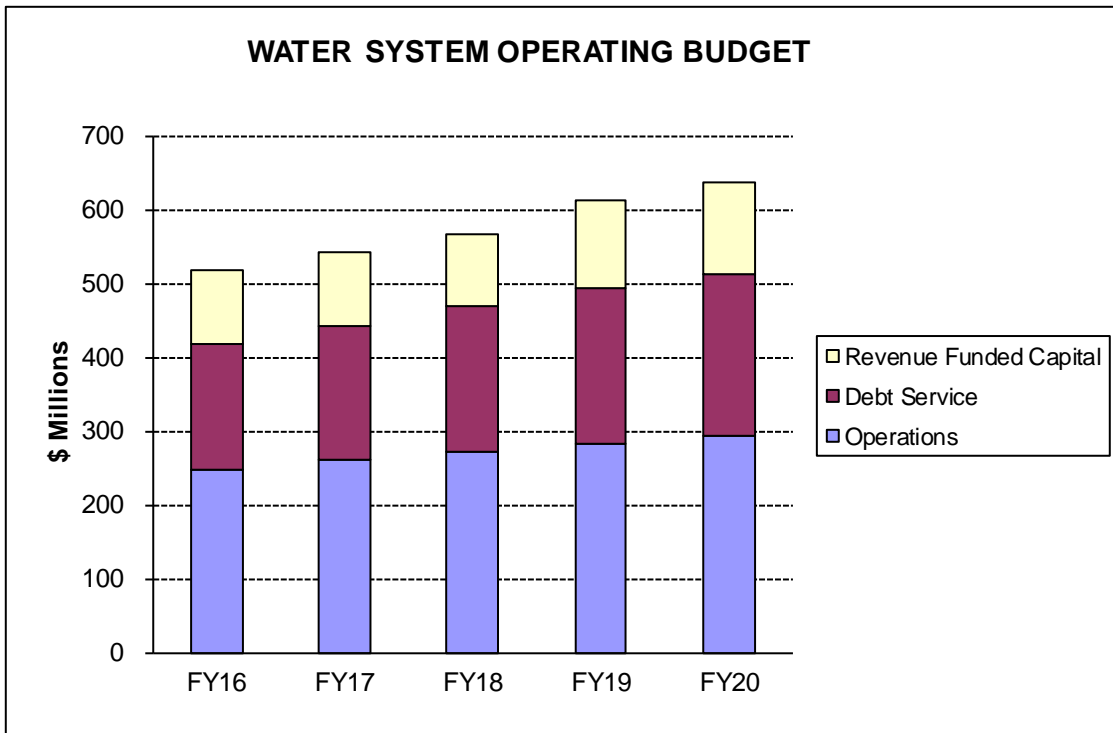
Five Year Projection of Operating Budget

The Water System operations expenses are projected to increase from \$248.3 million in FY16 to \$293.6 million in FY20, an increase of 18 percent.

Debt service requirements are expected to increase from \$169.9 million in FY16 to \$219.8 million by FY20, an increase of 29 percent. This increase is the result of \$649 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 \$99.6 million in FY16 to \$123.9 million in FY20, an increase of 24 percent.

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



Five Year Projection of Reserves

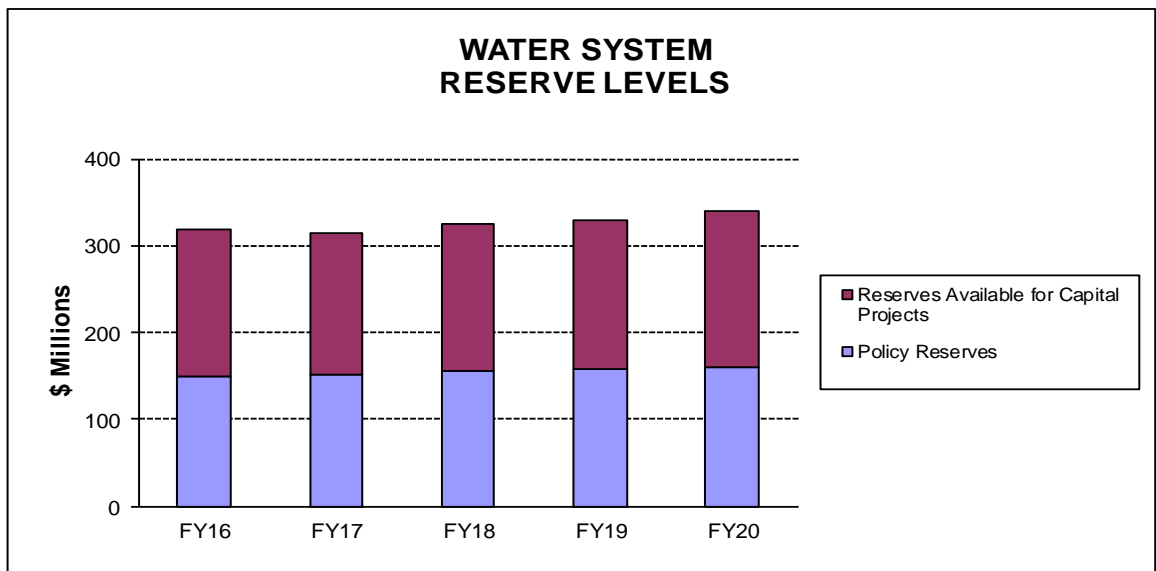
The operating reserves consist of:

- 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 FY16 and \$3.2 million in FY17
- Contingency/rate stabilization reserve of a minimum of 20 percent 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 policy reserv levels for the entire period.

WATER SYSTEM RESERVE COMPONENTS (\$ Millions)					
	Forecast				
	FY16	FY17	FY18	FY19	FY20
Projected Operating Budget Reserves	319.0	315.6	325.8	329.4	339.9
Policy Reserves					
Working Capital	62.1	65.6	68.3	70.8	73.4
Self Insurance Reserve	5.0	5.0	5.0	5.0	5.0
Workers' Compensation Reserves	3.2	3.2	3.2	3.2	3.2
Contingency and Rate Stabilization	<u>79.0</u>	<u>79.0</u>	<u>79.0</u>	<u>79.0</u>	<u>79.0</u>
Total Policy Reserves	149.3	152.8	155.5	158.0	160.6
Reserves Available for Capital Projects	169.7	162.8	170.3	171.4	179.3

The following chart 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 \$1.62 billion in capital project appropriations, including administration of capital expenses, and \$1.38 billion in projected cash flow spending.

The focus of the CIP is the five-year period from FY16-20. Capital needs have been estimated for a second five-year period from FY21-25, 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 FY16-20 CIP, 50 percent 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 percent 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 FY16-20 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 47 percent, which is less than the target maximum of 65 percent contained in the District's debt policy, and debt service will grow by an average of 6.6 percent per year. Water System total outstanding debt will increase by \$369 million during the period. Total debt outstanding at the end of the five-year period will total \$3.07 billion.

In FY16 and FY17, the debt coverage ratio will be 1.60 and 1.63, respectively, and for all five years the ratio meets or exceeds the targeted coverage rate of 1.60.

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 FUND - CAPITAL BUDGET						
FIVE-YEAR FINANCIAL FORECAST						
(\$ Millions)						
	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>Totals</u>
Beginning Balance	0.0	0.0	0.0	0.0	0.0	-
Resources:						
Commercial Paper Issues	0.0	0.0	0.0	0.0	0.0	0.0
New Bond Proceeds	101.2	108.9	155.3	146.6	136.7	648.7
Grants and Loans Proceeds	2.5	1.9	3.2	5.8	4.1	17.5
Reimbursements	21.2	24.8	40.2	39.8	44.2	170.2
Revenue Funded Capital	<u>99.6</u>	<u>100.5</u>	<u>97.2</u>	<u>118.0</u>	<u>123.9</u>	<u>539.2</u>
Total Resources	224.5	236.1	295.9	310.2	308.9	1,375.6
Expenditures:						
Capital Cash Flow (discounted)	184.5	196.1	254.7	267.8	265.2	1,168.3
Administration of Capital	<u>40.0</u>	<u>40.0</u>	<u>41.2</u>	<u>42.4</u>	<u>43.7</u>	<u>207.3</u>
Total Expenditures	224.5	236.1	295.9	310.2	308.9	1,375.6
Ending Balance	0.0	0.0	0.0	0.0	0.0	-
Debt Percentage of Funding	45.1%	46.1%	52.5%	47.3%	44.3%	47.2%

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

DEBT OUTSTANDING AND DEBT SERVICE AT END OF FISCAL YEAR					
(\$ Millions)					
	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
			Forecast		
Beginning of Year Outstanding Debt	2,702.8	2,756.8	2,815.0	2,915.5	3,004.6
Debt Retired	49.3	52.9	58.0	60.5	63.2
New Bond Issues and Commercial Paper	<u>103.3</u>	<u>111.1</u>	<u>158.5</u>	<u>149.6</u>	<u>139.5</u>
Total Outstanding Debt	2,756.8	2,815.0	2,915.5	3,004.6	3,080.9
Debt Service, Existing Debt	164.2	169.2	174.7	174.5	174.4
Debt Service, New Debt	4.1	8.6	18.9	33.7	42.8
Debt Servicing Costs	<u>1.6</u>	<u>2.4</u>	<u>2.5</u>	<u>2.6</u>	<u>2.6</u>
Total Debt Service	169.9	180.2	196.1	210.8	219.8

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CHAPTER 4: WASTEWATER SYSTEM

This chapter provides a detailed description of the Wastewater System sources of funds, uses of funds, department operations budgets including staffing, capital expenditures and a Five-Year Financial Forecast.

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 communities of Alameda, Albany, Berkeley, Emeryville, Oakland, Piedmont, and the Stege Sanitary District. The Wastewater System receives administrative, financial, and other support services from the Water System.

INTRODUCTION

This chapter is organized into the following sections:

Pages 181 - 214 A detailed description of the FY16-17 budget including sources of revenues and uses of funds for operations, debt financing, and capital programs. This section also includes a detailed department budget.

Pages 215 - 221 A five-year forecast of the Wastewater System projected revenues and expenditures for operations, debt financing, and capital programs.

FY16-17 BUDGET

The following are key projections and assumptions that went into the FY16 and FY17 budget.

WASTEWATER SYSTEM FUND – KEY ASSUMPTIONS		
	FY16	FY17
% Rate Increase	5.0%	5.0%
Average monthly single family residential bill (\$) based on 6 ccf/month	\$19.01	\$19.93

FUND SUMMARY

The fund summary illustrates the beginning and ending fund balances as well as revenues, expenditures, and other financing sources/uses. The following table shows the fund balance, and projected revenues and expenditures for the Wastewater System for FY16 and FY17. The table is an expansion of the Wastewater System Fund Summary table presented at the end of Chapter 2.

Wastewater System Fund Summary
Operating and Capital Budgets
(\$ Millions)

	FY16			FY17		
	Operating	Capital	Fund Balance	Operating	Capital	Fund Balance
Fund Balance at Beginning of FY (Projected)	87.9	0.0	87.9	71.1	0.0	71.1
Sources of Funds						
Operating Revenues						
Treatment Charges	66.9		66.9	70.3		70.3
Resource Recovery	8.0		8.0	8.0		8.0
Wet Weather Facilities Charge	21.8		21.8	22.9		22.9
Property Taxes	4.3		4.3	4.4		4.4
Ad Valorem Bond Levy	4.0		4.0	4.1		4.1
Interest Income	0.4		0.4	0.7		0.7
Laboratory Services	3.9		3.9	4.0		4.0
Reimbursements	1.0		1.0	1.0		1.0
Permit Fees	1.8		1.8	1.8		1.8
Capacity Charge	1.5		1.5	1.6		1.6
All Other Revenue	<u>5.7</u>		<u>5.7</u>	<u>5.7</u>		<u>5.7</u>
Operating Revenues	119.3		119.3	124.5		124.5
Capital Funding Sources						
Commercial Paper Issues		0.0	0.0		0.0	0.0
New Bond Proceeds		2.0	2.0		22.1	22.1
Grants and Loans Proceeds		0.0	0.0		0.0	0.0
Reimbursements		<u>0.0</u>	<u>0.0</u>		<u>0.0</u>	<u>0.0</u>
Capital Sources		2.0	2.0		22.1	22.1
Revenue Funded Capital	-37.0	37.0	0.0	-14.6	14.6	0.0
Total Funds	82.3	39.0	121.3	109.9	36.7	146.6
Use of Funds						
Operations	65.4		65.4	70.7		70.7
Debt Service	33.7		33.7	34.0		34.0
Capital Cash Flow (Includes Admin of Capital)		<u>39.0</u>	<u>39.0</u>		<u>36.7</u>	<u>36.7</u>
Total Expenditures	99.1	39.0	138.1	104.7	36.7	141.4
Ending Balance *	71.1	0.0	71.1	76.3	0.0	76.3

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

FY 2016 AND FY 2017 BUDGET

SOURCES OF FUNDS

Operating expenses are funded by a group of revenue sources approved by the Board of Directors. Anticipated capital expenses are funded primarily by a combination of bond issues, which results in annual debt service payments, and operating revenue.

The table below displays the amounts to be collected from revenue sources and shows the amounts that are expected to fund the capital program for the Wastewater System.

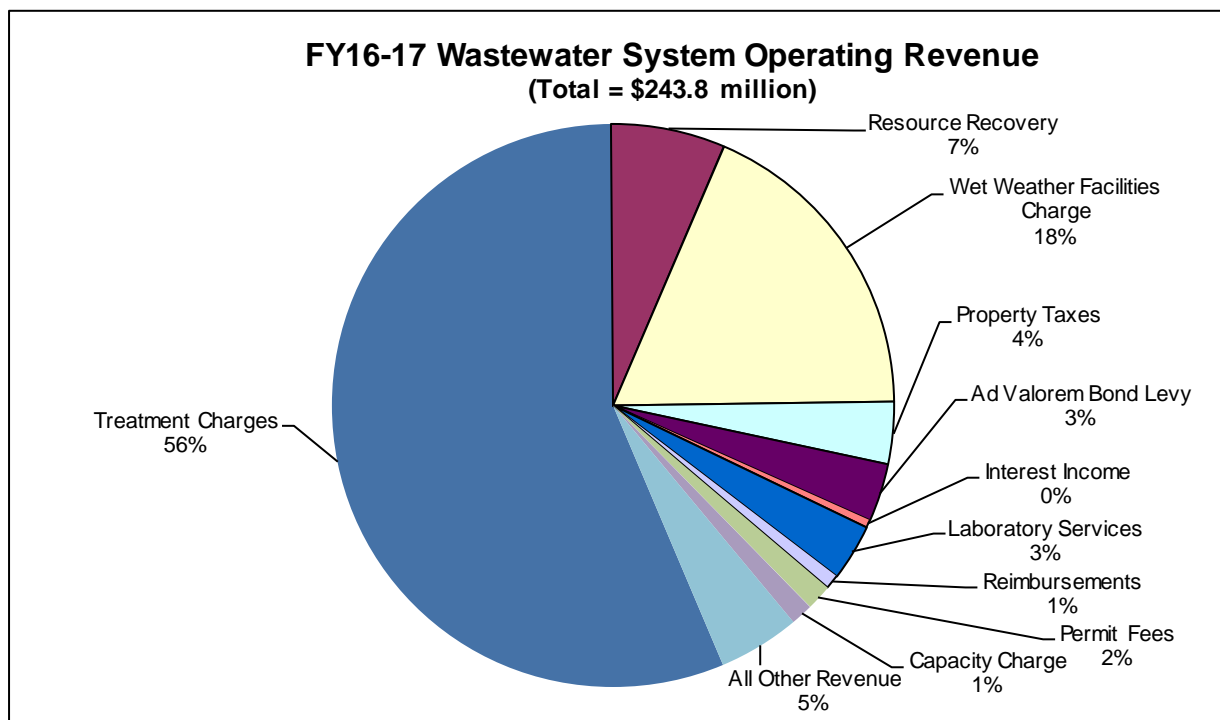
WASTEWATER SYSTEM SOURCES OF FUNDS				
(\$ Millions)				
	FY14 Actuals	FY15 Amended Budget	FY16 Adopted Budget	FY17 Adopted Budget
Operating Revenues:				
Treatment charges	60.0	66.9	66.9	70.3
Resource Recovery	10.6	6.5	8.0	8.0
Wet Weather Facilities charge	19.4	21.5	21.8	22.9
Property taxes	4.6	4.2	4.3	4.4
Ad Valorem Bond Levy	5.3	4.3	4.0	4.1
Interest income	0.2	0.7	0.4	0.7
Laboratory services	3.9	3.8	3.9	4.0
Reimbursements	1.6	0.9	1.0	1.0
Permit Fees	1.8	1.9	1.8	1.8
Capacity Charge	0.9	1.5	1.5	1.6
All other revenue	<u>6.2</u>	<u>4.6</u>	<u>5.7</u>	<u>5.7</u>
Total Operating Revenues	114.5	116.8	119.3	124.5
Revenue Funded Capital	-25.9	-30.9	-37.0	-14.6
Capital Funding Sources:				
Revenue Funded Capital	25.9	30.9	37.0	14.6
Commercial Paper Issues	0.0	0.0	0.0	0.0
New Bond Proceeds	5.7	0.0	2.0	22.1
Grants and Loans Proceeds	0.0	0.0	0.0	0.0
Reimbursements	<u>1.3</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Capital Funding Sources	32.9	30.9	39.0	36.7
Total Wastewater Sources	121.5	116.8	121.3	146.6

Operating Revenue

Wastewater System revenues for FY16 are projected to increase overall by \$2.5 million, or 2.1 percent compared to FY15, for a total of \$119.3 million. After a 5 percent rate increase for FY16, the projected wastewater treatment charge will total \$66.9 million the same as budgeted in FY15 due to the drop in water use during the recent drought. Wet weather facility charge revenue in FY16 is projected to increase \$.3 million from the FY15 budgeted amount. Resource recovery revenues are projected to increase \$1.5 million. Interest revenue is decreasing by \$.3 million due to the drop in interest rates, and other revenue is increasing by \$1.1 million due to a \$.6 million increase in expected revenue from energy sales from the Power Generation Station and a \$.5 million increase in private sewer lateral fees.

In FY17, Wastewater System revenues are projected to increase by \$5.2 million, or 4.4 percent for a total of \$124.5 million. This increase is comprised primarily of \$4.5 million from the 5.0 percent rate increases in the wastewater treatment and wet weather facilities charges.

The figure below illustrates the various sources of revenue and the relative percentage each contributes to the total. Wastewater treatment charges revenue is the largest source of revenue comprising 56 percent of FY16-17 total revenues.



The following pages provide more detail on each of the revenue categories.

SOURCE DESCRIPTIONS

Operating Revenue

The following are descriptions of nine of the sources of operating revenue, including information about the projected revenues for FY16-17.

Treatment Charges

The District provides treatment for discharges collected through city-owned sewers and transported through District interceptors and pump stations to the main Wastewater 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 overall rate increase for the various wastewater treatment charges will be 5.0 percent for FY16 and an additional 5.0 percent for FY17. After the 5 percent rate increase for FY16, the projected wastewater treatment charge will total \$66.9 million the same as FY15 due to the drop in water use during the recent drought. For FY17 the projected wastewater treatment charge will be \$70.3 million, an increase of \$3.4 million or 5.1 percent over the FY16 projected treatment revenue.

Resource Recovery

The District utilizes its excess capacity at the Main Wastewater Treatment Plant with the acceptance of trucked waste. The Resource Recovery Program is projected to generate \$8.0 million in FY16 and FY17, an increase of \$1.5 million or 23 percent compared to the FY15 budget. Since FY10, the Resource Recovery program has collected \$9.0 million per year in each fiscal 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 \$21.8 million in FY16, a 1.4 percent increase over the FY15 budget. As part of the 2015 cost of service study, the basis for the costs of the wet weather program was recalculated reducing projected revenue, then increased 5 percent for FY16 resulting in a net increase of 1.4 percent over FY15. In FY17, the projected revenue is \$22.9 million, a 5 percent increase over the FY16 budget.

Property Taxes

The District receives a portion of the 1 percent 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 0.5 percent of the total monies collected. For FY16, property tax revenue of \$4.3 million is based upon FY14 actual property tax receipts reduced to reflect both one-time property tax revenues from the dissolution of redevelopment agencies within the District's boundaries and for the portion of property tax revenues which fund the District's low income customer assistance program. Revenues for FY17 are \$4.4 million or \$0.1 million over FY16.

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 \$4.0 million for FY16 and \$4.1 million for FY17.

As of August 2014, the net assessed valuation for property within the Wastewater System is \$83.98 billion. For FY16, the ad valorem property tax rate will be approximately \$0.0068 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 FY16 is projected to be \$0.4 million, a decrease of \$0.3 million over the FY15 budgeted amount due to a reduction in the projected interest rates. Interest income in FY17 is projected to be \$0.7 million, an increase of \$0.3 million over FY16 due to slightly higher expected interest rates. Interest rates are assumed to be ½ percent in FY16 and 1 percent in FY17.

Laboratory Services

The Wastewater Laboratory provides testing and analysis services for the Water and Wastewater Systems and several outside agencies. 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 \$3.9 million for FY16 and \$4.0 million for FY17.

Capacity Charges

In FY14, the District designated 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 of 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. The WCF revenue is projected to be \$1.5 million in FY16 and \$1.6 million in FY17.

All Other Revenue

All other revenue for the Wastewater System is expected to increase in FY16 and FY17 to \$5.7 million, an increase of \$1.1 million or 23.9 percent due to a \$0.6 million increase in the expected revenue from energy sales from the Power Generation Station and a \$0.5 million increased in private sewer lateral fees.

Capital Funding

The following are descriptions of the five sources of capital funding. The FY16-17 capital improvement program will be funded with bond proceeds and wastewater revenue and reserves. The District's financing plan is to issue a total of \$24 million of new debt in FY16 and FY17 combined with revenue and reserve funded capital of \$37 million in FY16 and \$14.6 million in FY17.

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

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.

USE OF FUNDS

The Wastewater System has three types of expenditures:

Operations, or the annual costs of providing all wastewater services

Debt Service, or the repayment of bonds for making capital investments in the wastewater system.

Capital cash flow, or the annual costs of the Capital Improvement Program for long-term projects to upgrade aging infrastructure and to protect natural resources to provide high quality wastewater services.

The following table shows the breakdown of expenses for operations, debt service, and capital programs.

USE OF FUNDS				
(\$ Millions)				
	FY14 Actuals	FY15 Amended Budget	FY16 Adopted Budget	FY17 Adopted Budget
Operations	59.7	63.3	65.4	70.7
Debt Service	33.1	34.3	33.7	34.0
Capital Cash Flow (includes Admin of Capital)	<u>32.9</u>	<u>30.8</u>	<u>39.0</u>	<u>36.7</u>
Total Expenditures	125.7	128.4	138.1	141.4

OPERATIONS

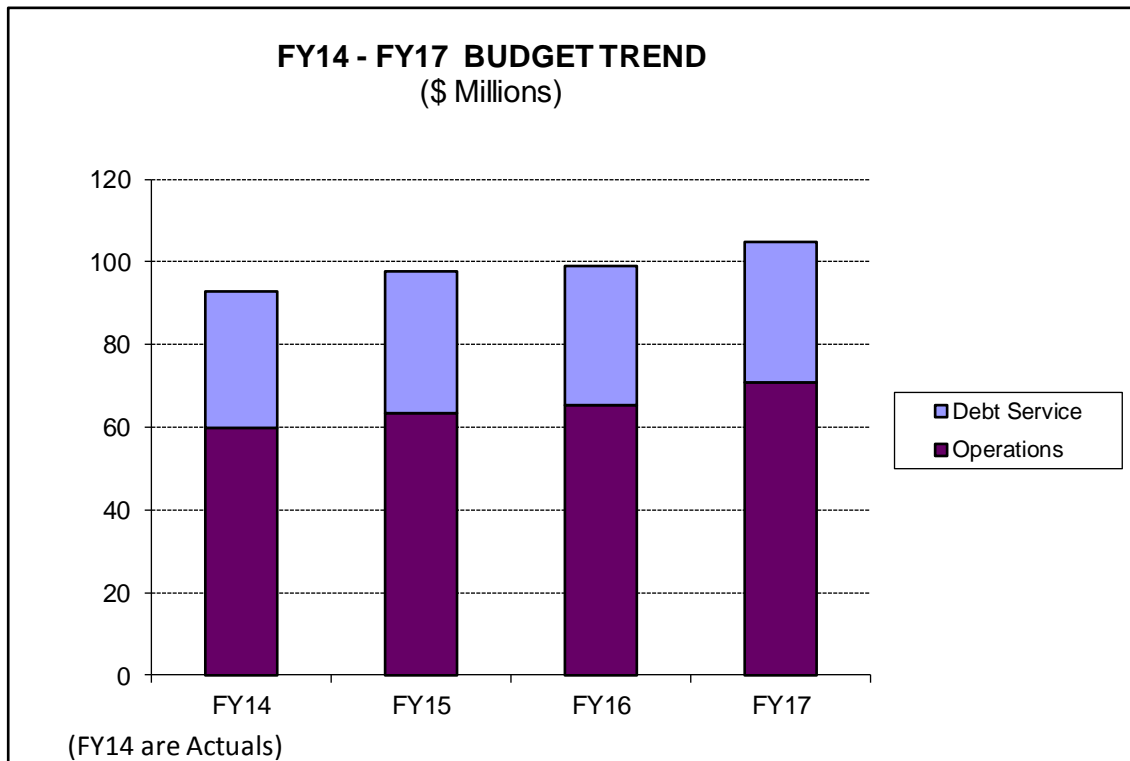
This section contains charts and tables which explain the major components of the Wastewater System operations budget. Typical operations expenditures include, but are not limited to, labor, benefits, chemicals, energy, spoils/sludge disposal, parts and materials, and fees and licenses.

The operations budget is also shown by department. The details of each staffed department include a discussion of services provided, significant budget changes, and staffing and position changes.

The chart below details the operations and debt service budget for FY16-17.

(\$ Millions)	FY14 Actuals	FY15 Amended Budget	FY16 Adopted Budget	FY16 vs FY15	FY17 Adopted Budget	FY17 vs FY16
Operations	59.7	63.3	65.4	3.3%	70.7	8.1%
Debt Service	33.1	34.3	33.7	-1.7%	34.0	0.9%
Total	92.8	97.6	99.1	1.6%	104.7	9.0%

Total operations and debt service budget is increasing in FY16 by \$2.1 million or 3.3 percent over the FY15 amended budget and in FY17 by \$5.3 million or 8.1 percent compared to FY15.



DEPARTMENT OPERATIONS BUDGET

The operations portion of the Wastewater System budget is divided into various departments. One department is referred to as a staffed department indicating employees are assigned to work in the department. The staffed department budget funds the day-to-day operations of the Wastewater system, and includes funding for labor, benefits, outside contract services and other non-labor expenses such as chemicals, energy, spoils and sludge disposal, parts and materials, and fees and licenses. A detailed description of the staffed department is included later in this chapter.

A small number of departments do not have personnel assigned to them and are referred to as non-staffed departments. The impact on the budget by each of these departments varies:

Contingency- Funds budgeted each fiscal year to primarily cover projected labor-related expenses such as the employee cost of living adjustment which is based upon each year's February CPI-W (Consumer Price Index for Urban Wage Earners and Clerical Workers) in the San Francisco-Oakland-San Jose area. The index is published in March of each year.

Administration of Capital -The administration of capital represents those costs that are not directly attributable to specific capital projects but are more generalized indirect support of the Capital Improvement Program (CIP). The administration of capital in the operations budget will decrease operating expenses by a like amount and reallocate the costs to the capital budget.

The following table presents the total FY16-17 Wastewater Water System Fund operations budget by department.

Operations Budget by Department						
(\$ Thousands)						
DEPARTMENTS	FY14 Actuals	FY15 Amended Budget	FY16 Adopted Budget	% change vs FY15	FY17 Adopted Budget	% change vs FY16
Wastewater Department	62,508	66,174	66,884	1.1%	70,944	6.1%
Subtotal Staffed Departments	62,508	66,174	66,884	1.1%	70,944	6.1%
Contingency	182	484	1,564	223.3%	2,773	77.3%
Net Department Expense	62,690	66,658	68,448	2.7%	73,717	7.7%
Less: Administration of Capital	(3,000)	(3,300)	(3,000)	-9.1%	(3,000)	0.0%
Subtotal Operating Expenses	59,690	63,358	65,448	3.3%	70,717	8.1%
Plus: Debt Service	33,107	34,307	33,693	-1.8%	33,956	0.8%
TOTAL OPERATING BUDGET	92,798	97,665	99,141	1.5%	104,673	5.6%

The FY15 amended staffed department budgets include a cost of living adjustment.

Department Operations Budget Highlights

The Wastewater System is comprised of one staffed department that performs all aspects of wastewater system operations. This section details the department labor and non-labor budget, department goals and staffing.

Labor and Benefits

Labor and benefits are allocated between the staffed department and contingency for cost of living adjustments. Cost of living adjustments are not shown in the staffed department's FY16-17 labor and benefits budget since it is based on the CPI-W index and the amount is not known until the index is published annually. Once the index is published, and if funds are needed, contingency would be transferred to departments. The details of the department's labor and benefits budget is shown later in this chapter.

In FY16, the department is funding 9 additional positions. The cost of these positions are offset by projected savings to account for the time required to fill positions given the considerable number of retirements and vacancies that are expected, overall lower salaries in comparison to the prior biennial budget due to the significant number of new employees with salaries lower than the employees they replaced, and lower benefit rates than the prior biennial budget.

Unlike the Water System, the Wastewater System has only one staffed department as mentioned earlier. Therefore, the department's labor and benefits is explained in greater detail in the budget highlights later in this chapter.

Non-labor

The Wastewater staffed department non-labor costs increased \$1.4 million or 5.1 percent in FY16 and \$3.3 million or 11.4 percent in FY17 compared to the prior fiscal year respectively. A detailed explanation of the significant changes is shown in the department budget highlights section later in this chapter.

Department Operations by Budget Category

The chart below depicts the Wastewater System staffed department operations in a single chart. It does not include capital labor, however, capital labor by department is shown later in this chapter.

FY16-17 DEPARTMENT OPERATIONS BY CATEGORIES								
(\$ Thousands)								
Department	FY16				FY17			
	Labor	Contract Services	All Other	Total Budget	Labor	Contract Services	All Other	Total Budget
Wastewater	37,866	3,037	25,982	66,884	38,666	3,806	28,472	70,944
TOTAL	37,866	3,037	25,982	66,884	38,666	3,806	28,472	70,944

Staffed Department Descriptions

The next section describes each of the staffed departments and includes the following topics:

Overview provides an overall statement about the key responsibilities of the department that places it within the larger mission of the District as a whole.

Description of Services Provided describes the responsibilities of the department, broken down by unit (division) or by function, including services required to meet regulatory or legal requirements.

FY16-17 Goals highlights the highest priority tasks or projects related to the budget, and place these in the context of the overall District Strategic Plan.

Department Budget Summary is a reference table that shows the Department's operating budget expenditures by category (Labor and Benefits, Contract Services, All Other Costs). It also includes capital labor for the Department to give a more complete picture of departmental expenses.

Budget Highlights shows changes in cost relative to the previous fiscal year and describes reasons for those changes. This section focuses on the significant budget changes regardless of whether they are operational priorities for the department.

Staffing Summary is a reference table that includes both the total head count for the department by appointment type (full-time, part-time, etc.), and the Full-Time Equivalency (FTE) based on the number of positions of each appointment type.

Position Changes is a section that shows position changes that require Board approval. It includes a table that enumerates position changes, followed by a brief description of the 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.

WASTEWATER DEPARTMENT

OVERVIEW

The Wastewater Department operates and maintains District wastewater treatment facilities to comply with environmental and public health requirements. Furthermore, the department strives to protect the environment by reducing or eliminating the discharge of toxic and noxious substances to the air, land and San Francisco Bay. The primary goal is to ensure public health and safety by complying with federal, state and local regulations regarding air, biosolids and water.

DESCRIPTION OF SERVICES

The department operates and maintains the wastewater treatment plant and the three wet weather facilities; maintaining the wastewater system infrastructure including sewer interceptors; monitoring discharges by all wastewater customers; and testing and reporting analytical results on water, wastewater, and hazardous waste samples. There are four divisions in the Wastewater Department: Wastewater Treatment, Wastewater Engineering, Laboratory Services, and Environmental Services.

FY16-17 GOALS

The department has a key role in the Water Quality and Environmental Protection and the Long Term Infrastructure Investment Strategic Plan goals. Key department goals include:

- Successfully implementing the federally mandated Consent Decree to reduce the environmental impact on the San Francisco Bay during wet weather events,
- Expanding the Food Waste Program,
- Maintaining a regional leadership role in the emerging issue of possible nutrient impairment of San Francisco Bay, and
- Continuing to be a good neighbor by refining and investing in technologies that will minimize odors from the wastewater treatment plant.

DEPARTMENT BUDGET SUMMARY

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

Category (\$ Thousands)	FY14 Actuals	FY15 Amended Budget	FY16 Adopted Budget	FY16 vs FY15	FY17 Adopted Budget	FY17 vs FY16
Total Labor and Benefits	44,002	48,346	46,808	-3.2%	47,769	2.1%
Less: Capital Labor and Benefits	(7,660)	(9,791)	(8,942)	-8.7%	(9,103)	1.8%
Operating Labor and Benefits	36,343	38,555	37,866	-1.8%	38,666	2.1%
Contract Services	1,843	2,236	3,037	35.8%	3,806	25.3%
All Other Costs	<u>24,323</u>	<u>25,383</u>	<u>25,982</u>	2.4%	<u>28,472</u>	9.6%
Operating Total	62,508	66,174	66,884	1.1%	70,944	6.1%

BUDGET HIGHLIGHTS

The Wastewater Department total operating budget in FY16 is increasing \$0.7 million or 1.1 percent compared to FY15. In FY17, the budget is increasing \$4 million or 6.1 percent.

FY16

Total labor and benefits costs (operating and capital) are decreasing by \$0.7 million primarily due to a lower fringe benefit rate and a higher offset to account for the time required to fill positions given the considerable number of retirements and vacancies that are expected. Contract services are increasing by \$0.8 million for a contract to support inflow investigations in community sewer systems as required by the consent decree. All other costs are increasing by \$0.6 million primarily due to parts and materials including carbon for the Power Generation Station gas conditioning system.

FY17

Total labor and benefits costs (operating and capital) are increasing approximately \$0.8 million primarily due to funding of a Sr. Wastewater Control Inspector to provide support for the infiltration and inflow control program and food waste deliveries; and benefit rate escalation and scheduled salary step increases. Contract services are increasing \$0.8 million to support inflow investigations in community sewer systems. All other costs are increasing by \$2.5 million primarily due to chemical costs for increased food waste processing and odor control (\$1.1 million); and increased hauling costs (\$0.9 million) for sludge hauling related to the food waste program, and potential loss of alternate land disposal. In addition, the department's share of reimbursable costs to the Water System will increase by \$0.2 million for services such as billing and collection, finance, human resources, rent, etc.

STAFFING SUMMARY

The chart below shows the staffing of the department. The total position changes table does not match the position type chart because the position type chart reflects the return of one position loaned in FY16 from the Water System, and the transfer of two Limited Term positions to the Water System at the start of FY16.

Position Type	FY14	FY15	FY16	FY16 vs FY15	FY17	FY17 vs FY16
Full Time	281.0	281.0	280.0	(1.0)	280.0	0.0
Limited Term / Temp Const	7.0	7.0	3.0	(4.0)	3.0	0.0
Intermittent	0.0	0.0	0.0	0.0	0.0	0.0
Temporary / Part-Time	1.0	1.0	3.0	2.0	3.0	0.0
Total Positions	289.0	289.0	286.0	(3.0)	286.0	0.0
Total FTE	288.5	288.5	284.5	(4.0)	284.5	0.0

POSITION CHANGES

The table below summarizes the Board approved position changes, followed by a brief description of the 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
2016	Delete	Admin Services Supervisor		(142,478)	(1.0)	Workload Efficiencies
2016	Delete	(TC) Senior Civil Engineer		(239,175)	(1.0)	Richmond Wastewater Service Project
2016	Delete	(TC) Senior Construction Inspector		(227,880)	(1.0)	Digester Upgrade
2016	Add		WW Control Inspector I/II	73,004	1.0	Support Private Sewer Lateral Program.
2016	Add		Gardener I/II (Temp)	57,021	0.5	Utilize resources in a manner consistent with the seasonal nature of the work
2016	Add		Gardener I/II (Temp)	57,021	0.5	Utilize resources in a manner consistent with the seasonal nature of the work
FY16 TOTAL				(422,486)	(1.0)	

In FY16, the department is deleting five positions due to either completion of projects or workload efficiencies. In FY16, the department is adding three positions, one FTE to support the expansion of the regional private sewer lateral program and two part-time positions for seasonal work.

STAFFING

The chart below provides the full-time equivalent (FTE) and compares the changes from year-to-year. Depending upon the appointment type, the FTE value will be different. Regular, non-civil-service, Limited-Term and Temporary Construction appointment types are full-time and equivalent to 1.0 FTE; intermittent appointment types are equivalent to 0.75 FTE; part-time and temporary appointment types count as 0.5 FTE.

FY16-17 STAFFING BY DEPARTMENT					
Positions by Full-Time Equivalent (FTE)					
Department	FY15 Amended	FY16 Adopted	FTE Change	FY17 Adopted	FTE Change
WASTEWATER SYSTEM	288.5	284.5	(4.0)	284.5	0.0

A total of -4.0 FTEs are shown as the Wastewater System change from FY15. Chapter 2 shows -1.0 FTEs deleted from the Wastewater System. One additional FTE, previously borrowed from the Water System, is being transferred back to the originating Water System department in FY16. Two additional LT FTEs were transferred to the Water System at the start of FY16.

For a more detailed description of position changes, please see the specific department section in this chapter or the Staffing section in the District Summary chapter of this book.

Bargaining Unit Changes

The following tables show the net change in bargaining unit status of authorized positions (not FTEs) represented by AFSCME Local 2019, AFSCME Local 444, IFPTE Local 21, and IUOE Local 39; or included in Management/Confidential, non-represented groups, and civil service exempt positions. The charts reflect all Board approved staffing changes for FY16 and FY17.

FY 16 vs. FY 15 Net Change in Bargaining Unit Status							
Department	Local 2019	Local 444	Local 21	Local 39	MGMT / Confidential	Non-Rep	Civil Service Exempt
Wastewater	0	2	-2				
Total Net Change	0	2	-2	0	0	0	0

FY 17 vs. FY 16 Net Change in Bargaining Unit Status							
Department	Local 2019	Local 444	Local 21	Local 39	MGMT / Confidential	Non-Rep	Civil Service Exempt
Wastewater							
Total Net Change	0	0	0	0	0	0	0

DEBT SERVICE AND FINANCING

This section describes the Wastewater System's current and projected debt obligations, current credit ratings, and adherence to the District's debt financing policies.

The District incurs debt to finance projects or purchase, repair or replace assets which will have useful lives equal to or greater than the related debt. Issuance of revenue supported debt is authorized by the District's Board of Directors, subject to a referendum process. Individual revenue bond issues are authorized by the District's Board of Directors.

The annual debt principal and interest payments are charged to the operating budget. However, debt is only issued to finance capital investment activities.

Outstanding Debt

The Wastewater System has a total long-term debt outstanding of \$423.9 million as of June 30, 2015. The District's debt issues are summarized below and discussed in detail thereafter.

OUTSTANDING DEBT				
(\$ Thousands)				
Projections as of June 30, 2015				
Issue	Date of Issue	Last Maturity	Amount Issued	Debt Outstanding
LONG-TERM DEBT				
Revenue Bonds:				
Series 2007B	5/16/2007	6/1/2026	46,670	29,815
Series 2010A	10/20/2010	6/1/2029	58,095	46,560
Series 2010B (Build America Bonds)	10/20/2010	6/1/2040	150,000	150,000
Series 2012A	10/10/2012	6/1/2037	20,000	20,000
Series 2014A	8/28/2014	6/1/2031	80,425	80,425
Series 2014B	8/28/2014	6/1/2015	2,505	0
Series 2015A1	3/6/2015	6/1/2037	54,805	54,805
Series 2015A2	3/6/2015	6/1/2038	13,565	13,565
Series 2015B	3/6/2015	6/1/2030	2,795	2,795
Total Revenue Bonds	-	-	\$428,860	\$397,965
General Obligations Bonds				
Series G	2/27/2014	4/1/2018	\$14,160	\$10,910
Total Long-Term Debt			\$443,020	\$408,875
SHORT-TERM DEBT				
Extendable Commercial Paper	Various	Various	N/A	\$15,000
TOTAL OUTSTANDING DEBT				\$423,875

In FY15, the District refunded debt to take advantage of low market interest rates, generating substantial savings and eliminating its interest rate swap exposure. The District issued

Wastewater Revenue Bond Series 2015A that refunded for debt service savings of all of the outstanding Series 2007A and 2011A bonds. This issue generated net present value savings of \$7 million over the 23 year life of the bonds. The refunding lowers debt service costs by approximately \$163,000 per year in FY16 and FY17. Portions of the proceeds of the Series 2015A bonds were also used to terminate all interest rate swaps. As a result of this transaction, the Wastewater System has no more synthetic fixed-rate debt or interest rate swaps outstanding.

The budget assumes issuance of approximately \$2 million of Wastewater System debt in FY16 and \$22 million in FY17.

Debt Service

The total Wastewater System outstanding debt of \$423.9 million projected as of June 30, 2015 will cost the District \$311.8 million in interest payments over the next 25 years, as detailed in the chart below.

Interest rates on extendable commercial paper (ECP) were calculated at 1 percent in FY16, then increased to 2 percent in FY17 and thereafter.

Projected Debt Service on Outstanding Debt			
Fiscal Year	Principal	Interest	Debt Service
2016	13,000,000	20,259,188	33,259,188
2017	13,655,000	19,871,178	33,526,178
2018	13,790,000	19,261,348	33,051,348
2019	10,675,000	18,742,823	29,417,823
2020	11,185,000	18,240,008	29,425,008
2021	11,665,000	17,739,288	29,404,288
2022	12,220,000	17,160,413	29,380,413
2023	12,790,000	16,553,913	29,343,913
2024	13,360,000	15,949,373	29,309,373
2025	13,980,000	15,285,443	29,265,443
2026	14,625,000	14,590,733	29,215,733
2027	14,285,000	13,862,783	28,147,783
2028	14,300,000	13,151,915	27,451,915
2029	15,030,000	12,440,380	27,470,380
2030	15,750,000	11,694,114	27,444,114
2031	16,305,000	10,907,489	27,212,489
2032	16,795,000	10,089,252	26,884,252
2033	17,620,000	9,246,369	26,866,369
2034	18,505,000	8,355,736	26,860,736
2035	19,410,000	7,423,209	26,833,209
2036	20,360,000	6,445,044	26,805,044
2037	21,345,000	5,418,983	26,763,983
2038	24,365,000	4,343,250	28,708,250
2039	26,250,000	3,087,794	29,337,794
2040	27,610,000	1,729,094	29,339,094
Total	408,875,000	311,849,114	720,724,114

Includes \$0 required principal amortization for extendible commercial paper and does not include the Federal Build America Bonds interest subsidy.

The difference in the debt service from the budgeted amount results from two factors. First, the figures in the table above include only debt service on currently outstanding bonds while budgeted debt service includes interest and principal on new bonds expected to be issued in FY16 and FY17 to fund the capital improvement program. Second, budgeted figures include additional costs associated with the debt portfolio including liquidity fees, re-marketing fees, basis spread, and debt service administration.

Debt Ratings

Credit risk is the risk that the issuer of an investment, such as a revenue bond, will not fulfill its obligation to the holder of the investment. Credit ratings are assigned to bonds by nationally recognized statistical credit rating organizations based on published methodologies. The ratings reflect the organizations' opinions about the issuer's ability and willingness to meet its financial obligations. All investment grade ratings presume the obligation will be paid, in full and on time, currently and in the future.

Strong credit ratings provide tangible benefits to ratepayers in the form of reduced debt service cost. A strong credit rating provides better access to capital markets, lower interest rates, better terms on debt, and access to a greater variety of debt products. Prudent financial management policies have contributed to the District's strong ratings shown in the tables below.

As of January 1, 2015, ratings on the Wastewater System's debt were as follows:

Wastewater System Debt Ratings			
Debt by Type	Ratings by		
	Standard & Poor's	Moody's Investors Service	Fitch
Wastewater System			
General Obligation Bonds	AAA	Aa1	--
Fixed Rate Revenue Bonds	AAA	Aa2	AA+
Extendable Commercial Paper	A-1+	P-1	F1+

Debt Management Policy and Debt Service Coverage

The District is subject to legal debt limits prescribed in the Municipal Utility District (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 general debt indebtedness cannot exceed the ordinary annual income and revenue of the District without a two-thirds approval of the voters. However, revenue bonds are not included in general debt limits.

The District is authorized to issue revenue bonds with the approval of a resolution from the Board of Directors, subject to a 60-day referendum period. The resolution specifies the maximum principal amount of bonds that may be issued pursuant to the authorization. The District's Board of Directors also approves individual Series of Revenue Bonds issued under the broader authorization.

The MUD Act authorizes the District to issue short-term indebtedness without an election of the voters. The amount of short-term borrowing cannot exceed the lesser of 1) the annual average total revenue of the three preceding years or 2) twenty-five percent 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 in order to retain the District's financing flexibility and achieve the lowest cost of financing.

The District's debt management policy is to:

- a) maintain an annual revenue bond debt service 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.

Debt Service Coverage Ratio

The debt service coverage 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 parity debt. The revenue bond debt service 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 parity debt. In FY16 and FY17, the projected debt coverage ratios are 1.70 and 1.70 respectively.

Debt-Funded Capital

The percentage of the capital program that is funded by debt over the five-year period FY16-20 will be 31 percent, which is lower than the financial policy maximum target of 65 percent.

Projected Debt Percentage of Funding		
(\$ Millions)		
	<u>FY16</u>	<u>FY17</u>
Expenditures:		
Capital Cash Flow (discounted)	36.0	33.7
Administration of Capital	<u>3.0</u>	<u>3.0</u>
Total expenditures	39.0	36.7
Project Funding:		
New Bond Funded	2.0	22.1
Prior Bond Funded	0	0
Grants and Loans Funded	0	0
Reimbursements Funded	0	0
Revenue Funded Capital	<u>37.0</u>	<u>14.6</u>
Total resources	39.0	36.7
Debt percentage of funding	5.1%	60.2%

Commercial Paper and Variable Rate Debt Ratio

The District has authorized a short-term extendable commercial paper (ECP) borrowing program consistent with the MUD Act and the District's debt management policy. Under this program, the District 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 ECP is secured by a pledge of the Wastewater System's net revenues, subordinate to the respective System's revenue bonds.

On June 30, 2015, \$15.0 million of Wastewater ECP is projected to be outstanding under the program. Wastewater System ECP will comprise 3.7 percent of the approximately \$409 million in outstanding long-term bonds at the close of FY15.

The wastewater system has no variable rate debt outstanding.

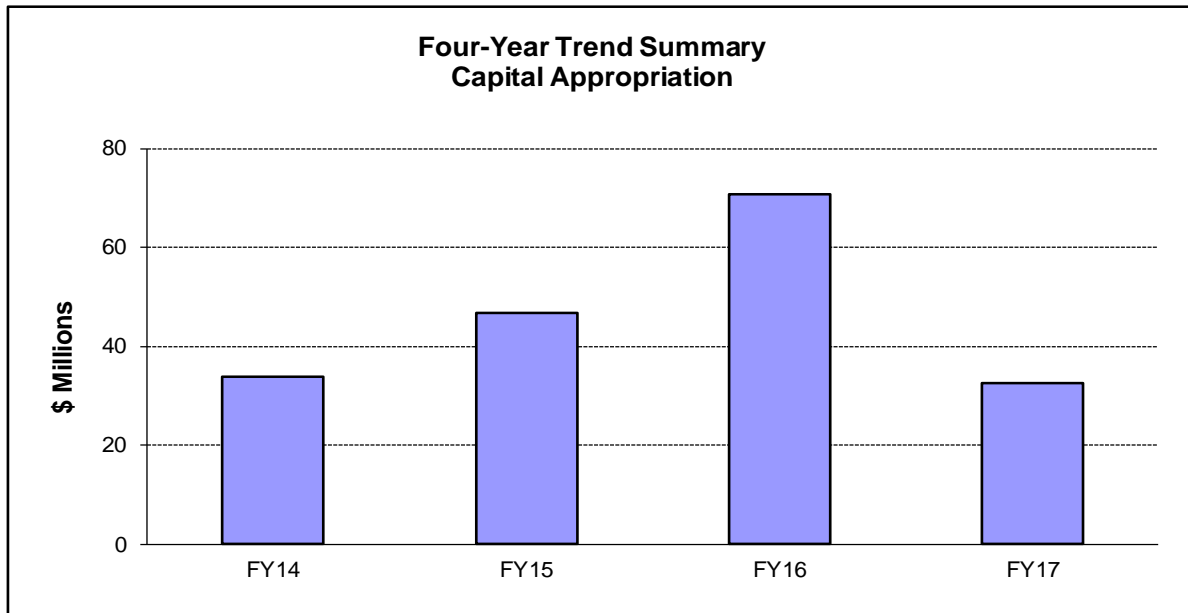
CAPITAL EXPENDITURES

The CIP consists of projects that typically result in the construction of new facilities, or the modification, rehabilitation or upgrade of existing facilities. Project costs include all expenditures required to study, plan, design, purchase, construct, or upgrade new or existing facilities. In addition, projects can include large equipment purchases and the creation or replacement of computer technology systems infrastructure.

Capital Appropriations

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 will vary depending upon project scope and timing, and the amount of unspent appropriation in the project.

The Wastewater System's FY16 Capital Improvement Program appropriation totals \$70.6 million, which represents an increase of \$23.8 million from FY15. The FY16 appropriation 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 FY17, the Capital Improvement Program appropriations are decreasing from FY16 by \$38.0 million to \$32.6 million.



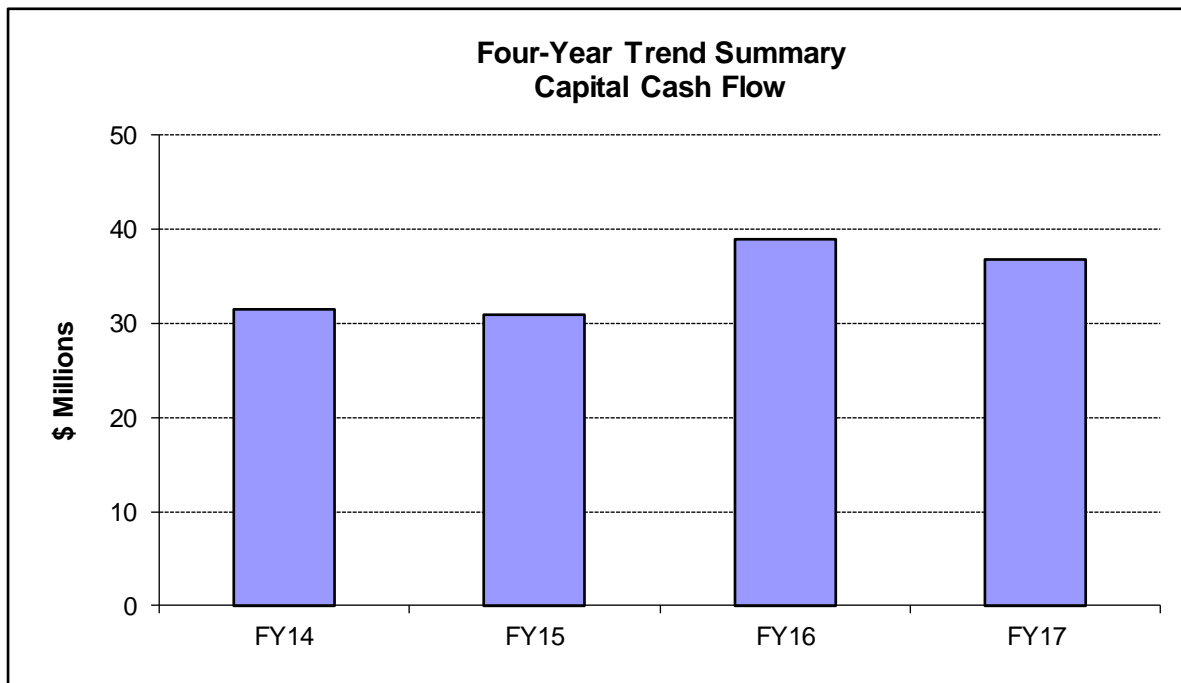
Capital Appropriation						
(\$ Millions)						
	FY14	FY15	FY16	FY16	FY17	FY17
	Adopted	Adopted	Adopted	vs FY15	Adopted	vs FY16
	Budget	Budget	Budget	% Change	Budget	% Change
Capital Appropriation*	33.9	46.8	70.6	50.9%	32.6	-53.8%

* with Administration of Capital

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.

The Wastewater System's FY16 cash flow totals \$39.0 million, which is greater than FY15 by \$8.1 million. Increases in the FY16 cash flow are for reliability improvements to the power generation station facilities; construction of food waste digesters and a dedicated dewatering facility; repair of the primary tank channels; and installation of an odor monitoring system and replacement of the odor control units at the influent pump station. In FY17, the cash flow is decreasing by \$2.3 million to \$36.7 million, primarily as the result of work to rehabilitate the Alameda sewer interceptor being completed.



Capital Cash Flow						
(\$ Millions)						
	FY14	FY15	FY16	FY16	FY17	FY17
	Adopted	Adopted	Adopted	vs FY15	Adopted	vs FY16
	Budget	Budget	Budget	% Change	Budget	% Change
Capital Cash Flow *	31.5	30.9	39.0	26.1%	36.7	-5.7%

* with Administration of Capital

Capital Labor

The following chart shows the capital labor and benefits budget for the Wastewater Department for capital related project work.

Capital Labor By Department (\$ Thousands)						
DEPARTMENTS	FY14 Actuals	FY15 Amended Budget	FY16 Adopted Budget	Budget % Change	FY17 Adopted Budget	Budget % Change
Wastewater	7,660	9,791	8,942	-8.7%	9,103	1.8%
Departments Total	7,660	9,791	8,942	-8.7%	9,103	1.8%

The Wastewater Department capital labor budget is decreasing \$0.8 million in FY16 compared to FY15 primarily due to a shift in personnel costs from capital work to the operating budget. In FY17, 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 FY16-20 Wastewater System Capital Improvement Program (CIP) requires \$143.9 million in project appropriations. This represents a \$13.3 million or 8.5 percent decrease from the FY14-18 CIP.

In accordance with the District's ten-year capital budget planning horizon, approximately \$180 million has been tentatively identified for FY21-25. Key aspects of this future work are discussed in the program and project summaries in the following pages. These future year estimates will be revised as plans and studies are completed, as 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 Wastewater System appropriations focus on the Maintaining the Infrastructure Strategy which comprises 92 percent of the CIP appropriations. All Wastewater System strategies are summarized below, with select projects discussed in more detail.

FY14-18 vs. FY16-20 Appropriation Capital Improvement Program by Strategy (\$ Thousands)					
Strategy	Appropriation		Change		% of FY16-20
	FY14-18	FY16-20	\$	%	
Maintaining Infrastructure	132,134	132,547	413	0%	92%
Regulatory Compliance	16,508	8,558	-7,950	-48%	6%
Non-Program Specific	8,552	2,800	-5,752	-67%	2%
Wastewater Sub-total	157,194	143,905	-13,289	-8%	100%
Administration of Capital	16,500	15,551	-949	-6%	
Wastewater Total	173,694	159,456	-14,238	-8%	

The FY16-20 CIP requires \$168.5 million in projected cash flow spending. This represents a \$13.6 million increase or 9 percent from the FY14-18 CIP and is primarily due to increased spending under the Maintaining Infrastructure strategy for the 3rd Street sewer interceptor rehabilitation, improvements to the power generation station facilities, and new food waste digesters and a dedicated dewatering facility for resource recovery.

All water system strategies are summarized below, with select programs and projects discussed in more detail.

FY14-18 vs. FY16-20 Cash Flows					
Capital Improvement Program by Strategy					
(\$ Thousands)					
Strategy	Cash Flow		Change		% of FY16-20
	FY14-18	FY16-20	\$	%	
Maintaining Infrastructure	117,182	143,095	25,914	22%	94%
Regulatory Compliance	21,276	9,886	-11,390	-54%	6%
Non-Program Specific	0	0	0	0%	0%
Wastewater Sub-total	138,458	152,981	14,523	10%	100%
Administration of Capital	16,500	15,551	-949	-6%	
Wastewater Total	154,958	168,532	13,574	9%	

MAINTAINING THE INFRASTRUCTURE STRATEGY

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

Appropriations (\$ Thousands)						
Program	FY16	FY17	FY19	FY19	FY20	Total
Maintaining the Infrastructure Program	58,678	28,583	14,368	14,869	16,049	132,547
Total	58,678	28,583	14,368	14,869	16,049	132,547

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, and improvements to the heating and gas management systems. Phase 2 was completed in FY15 and rehabilitated an additional four digesters, and included the construction of a new high-strength trucked in waste receiving station. Phase 3 will include seismic upgrades to three digesters and replace the floating covers with new dual membrane covers. Design is scheduled for FY18-19, with construction in FY20-22. Phase 4 upgrades of three digesters are scheduled for FY20-22. Phase 5 includes construction of two new digesters to accommodate increases in sludge and resource recovery wastes and is scheduled for FY22-25.

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. Repair of the Primary Tank Channels is the highest priority and is being conducted in six phases, with the first two phases completed in FY13. In addition to concrete rehabilitation work, butterfly valves and control panels will be replaced. Phases 3 through 6 are scheduled to take place from FY16 through FY22. A condition assessment of the secondary aeration reactor basins was completed in FY11, and repairs will be completed in four phases with the repair of two tanks per year starting in FY21. Rehabilitation of the concrete walls of the secondary clarifiers is scheduled for FY19-20.

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. Planned work includes installing an odor monitoring system to improve real-time control and reduce off-site odor potential; replacing the odor control units at the influent pump station in FY16-18; conducting a study of the primary sedimentation basins in FY16, with construction starting in FY17 to cover portions of the primary sedimentation tanks and provide new chemical scrubbers, and, if necessary, cover the remainder of the primary sedimentation tanks after FY20; replacing the wet scrubber system at the solids dewatering building with a chemical scrubber in FY18-19; and replacing the scrubber system at the resource recovery receiving station in FY19-20.

The Treatment Plant Infrastructure Project provides for the cyclical replacement and rehabilitation of various facilities at the MWWTP. Improvements planned for FY16-20 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; installation of a plant-wide intercom system; upgrades to the laboratory; repairs to the reactor influent piping; rehabilitation of clarifier equipment, upgrade of the security system; replacement of the above-grade drain system for the galleries; and update the MWWTP seismic study.

The Interceptor Rehabilitation program includes several projects to rehabilitate portions of the interceptor system that are approximately 60 years old. In FY14, potential methods for corrosion prevention in the interceptor system were evaluated and existing cathodic protection systems will be rehabilitated in FY18-19. Rehabilitation work on the Alameda Interceptor will be completed in FY16. Construction is underway to rehabilitate the remainder of the 105-inch concrete Wood Street segment of the South Interceptor in Oakland and is scheduled for completion in FY17. Rehabilitation of the 3rd Street segment of the South Interceptor is scheduled to take place in FY17-21.

The Power Generation Station Expansion Project expands energy production at the MWWTP from 6.5 to 11 megawatts to make use of increased biogas production due to the Resource Recovery Program. The expansion includes a facility for two 4.5 megawatt turbines. One biogas-powered turbine was installed in FY12. The second turbine is expected to be installed in FY21-23. Reliability improvements to the PGS facility will be made in FY16-19 and include the installation of redundant gas conditioning equipment, replacement of the PGS gas piping, and programming and controls improvements. Also, new flares will be added in two phases. The first phase will be completed in FY16, and the second phase is scheduled for FY21.

The Pump Station Improvements program provides for the upgrade of various pump stations identified in the Pump Station Master Plan Update. 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 A in Albany in FY17-18, Pump Station M in Alameda in FY18-19, Pump Station C in Alameda in FY18-19, Pump Station L in Oakland in FY19-20, and Pump Station J in Oakland in FY22-23.

The Resource Recovery program was developed to accept a wide variety of solid and liquid wastes delivered by truck to the Main Wastewater Treatment Plant. The five-year plan includes several studies intended to improve operations and expand the program. A nutrient removal study to be completed in FY16 will evaluate the process for removing nitrogen more efficiently. In FY16-17 piping modifications will be made to the feed system for two existing digesters so they may be dedicated for digestion of food waste and other high-strength liquid waste. A dedicated dewatering facility will also be constructed to serve these two digesters. In FY16-18, new facilities to support food waste processing will be constructed including utilities and site improvements for an organics pre-processing facility.

REGULATORY COMPLIANCE STRATEGY

This strategy furthers the District's objectives to operate and maintain facilities to meet all water discharge, air emission, and land disposal 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 modifying an interceptor to manage wet weather flows; and upgrading the monitoring systems, dechlorination facility and wet weather facilities. The program included in this strategy is:

Appropriations (\$ Thousands)						
Program	FY16	FY17	FY19	FY19	FY20	Total
Regulatory Compliance Program	7,058	0	1,500	0	0	8,558
Total	7,058	0	1,500	0	0	8,558

Regulatory Compliance Program

The Infiltration/Inflow Control Project includes work required by the National Pollutant Discharge Elimination System (NPDES) permit, and the 2014 Consent Decree for the District's three wet weather facilities. The work includes implementation of the regional private sewer lateral incentive program; construction of the Urban Runoff Diversion Project to divert dry weather flows for treatment at the Main Wastewater Treatment Plant (MWWTP) in FY16; and an engineering study to evaluate the potential application of Real Time Control systems to improve integration and operation of the interceptor system, wet weather facilities and storage basins, and MWWTP Influent Pump Station in FY18.

The Wet Weather Plant Improvements Project addresses upgrades at the Wet Weather Treatment Facilities (WWF) required to improve operations. Chemical system improvements to the WWFs at Oakport and San Antonio Creek in Oakland were substantially completed in FY15, and instrumentation upgrades at Point Isabel in Richmond are scheduled for FY18.

The North Interceptor Pump Station Q Project (PS Q) involves the design and construction of modifications to a portion of the interceptor system 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. This work is scheduled for FY16-18.

The Dechlorination Facility Improvements project includes a variety of improvements. In FY16-17, work includes seismic upgrades to the Injector Building, installing a backup Sodium Bisulfite System (SBS) dosing system, and minor modification of the Distributed Control System controls for greater reliability. In FY21-22, work includes automation of the dechlorination process and replacement of the SBS storage tanks.

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 substantial portion of the project's cost.

Appropriations (\$ Thousands)						
Program	FY16	FY17	FY19	FY19	FY20	Total
Contingency Program	1,800	1,000	0	0	0	2,800
Total	1,800	1,000	0	0	0	2,800

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 FY16-17, funds will be placed in contingency for planning, design and construction of improvements to Engineers Road along the southern edge of the MWWTP property, and a new intersection with the realigned Wake Avenue which will be reimbursed by the City of Oakland.

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	Dept	Prior Approp	FY16-20 APPROPRIATIONS (\$ thousands)					5 YR TOTAL
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	
MAINTAINING INFRASTRUCTURE								
WW Infrastructure Program								
3rd St Sewer Interceptor Rehab	WAS	19,102	0	16,898	0	0	0	16,898
Alameda Sewer Intercept Rehab	WAS	6,901	0	0	0	0	0	0
Biosolids Improvements Project	WAS	300	0	0	0	0	0	0
Centrifuge Replacement	WAS	22,403	0	0	0	0	0	0
Concrete Rehab at SD1	WAS	19,569	5,174	200	4,553	150	7,659	17,736
DCS Upgrades	WAS	5,949	2,100	0	0	0	0	2,100
Digester Upgrade	WAS	104,325	7,386	0	0	5,445	50	12,881
Information System Upgrades	WAS	2,210	0	0	0	0	0	0
Interceptor Corrosion Prevent	WAS	7,998	0	0	704	0	0	704
MWWTP Master Plan	WAS	18,268	979	0	0	0	0	979
MWWTP Pwr Dist Sys Upgrade	WAS	13,569	0	0	118	1,553	403	2,074
Motor Control Center Repl	WAS	2,694	0	0	0	0	0	0
North Interceptor Rehab	WAS	0	0	0	0	0	0	0
Odor Control Improvements	WAS	11,599	9,919	0	285	2,445	0	12,649
Outfall Investigation Project	WAS	940	0	0	75	0	0	75
PGS Engine Overhaul	WAS	6,712	250	0	0	0	1,500	1,750
PGS Expansion	WAS	42,036	2,775	4,200	0	0	2,450	9,425
Plant Pipe Replacement	WAS	4,250	0	0	76	300	0	376
Procure Emerg Response Equipmt	WAS	1,875	0	0	0	0	0	0
Pump Station A Improvements	WAS	0	1,929	0	0	0	0	1,929
Pump Station C Upgrades	WAS	0	1,864	0	0	0	0	1,864
Pump Station J Upgrades	WAS	0	0	0	0	0	0	0
Pump Station L Improvement	WAS	1,490	0	0	0	45	0	45
Pump Station M Imprvmts	WAS	0	0	0	3,042	0	0	3,042
Resource Recovery Project	WAS	22,288	12,436	0	0	0	0	12,436
Routine Cap Equip Replacement	WAS	21,677	2,400	2,400	2,400	2,400	2,400	12,000
Scum System Improvements	WAS	1,400	0	0	510	0	0	510
So Interceptor Reloc 5th Ave	WAS	210	0	0	0	0	0	0
Treatment Plant Infra Ph 2	WAS	0	677	3,615	720	0	0	5,012
Treatment Plant Infrastructure	WAS	50,392	2,659	1,258	1,655	2,531	1,587	9,690
Vehicle & Equip Additions, WW	WAS	230	105	0	0	0	0	105
WW Energy Management	WAS	2,188	0	12	230	0	0	242
West End Property Development	WAS	1,391	0	0	0	0	0	0
Wood St Sewer Intercept Rehab	WAS	21,014	8,025	0	0	0	0	8,025
WW Infrastructure Program Total		412,979	58,678	28,583	14,368	14,869	16,049	132,547
MAINTAINING INFRASTRUCTURE TOTAL		412,979	58,678	28,583	14,368	14,869	16,049	132,547

Capital Improvement Projects	Dept	Prior Approp	FY16-20 APPROPRIATIONS (\$ thousands)					5 YR TOTAL
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	

NON-PROGRAM SPECIFIC							
WW Non-Program Specific							
Contingency Project Wastewater	WAS	15,919	1,800	1,000	0	0	2,800
WW Non-Program Specific Total		15,919	1,800	1,000	0	0	2,800
NON-PROGRAM SPECIFIC TOTAL		15,919	1,800	1,000	0	0	2,800

REGULATORY COMPLIANCE							
WW Regulatory Compliance							
Dechlorination Facility Imprmts	WAS	2,994	658	0	0	0	658
Infiltration/Inflow Contrl Prj	WAS	26,535	0	0	0	0	0
NPDES Compliance	WAS	8,594	0	0	50	0	50
PS Q FM Dual-Mode Operation	WAS	1,504	6,400	0	0	0	6,400
Wet Weather Plant Imprmts	WAS	8,022	0	0	1,450	0	1,450
WW Regulatory Compliance Total		47,649	7,058	0	1,500	0	8,558
REGULATORY COMPLIANCE TOTAL		47,649	7,058	1,500	0	0	8,558

APPROPRIATIONS SUMMARY (IN 000'S)						
Prior	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	5 YR TOTAL
476,547	67,536	29,583	15,868	14,869	16,049	143,905

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 FY16-FY20 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 3.7 percent 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 4.7 percent per year during the five-year period, and debt service decreases by an average of 0.3 percent per year due to the end of the General Obligation Bond Debt Service in FY19.

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

- Inflation
- Increasing labor and benefits costs

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 administration of capital expenses, is projected at \$168.5 million over the five-year period. Major programs or projects to be undertaken during this period include: 3rd Street Sewer Interceptor Rehabilitation (\$32.5 million); Treatment Plant Infrastructure (\$19.1 million); Odor Control Improvements (\$19.1 million); Concrete Rehabilitation (\$14.6 million); Resource Recovery Project (\$14 million); and Digester Upgrades (\$11.8 million).

The projected average percentage of capital funded from debt will be 30.9 percent over the five-year period, lower than the financial policy maximum target of 65 percent. In FY16 and FY17, the debt coverage ratio will be 1.70 and 1.70, respectively, and for FY16 through FY20, 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 operating budget based on projected operations and maintenance expenses and debt service requirements.

WASTEWATER SYSTEM FUND – OPERATING BUDGET							
FIVE-YEAR FINANCIAL FORECAST							
(\$ Millions)							
	Actual FY14	Budget FY15	Forecast				
			FY16	FY17	FY18	FY19	FY20
Beginning Balance	-	-	87.9	71.1	76.3	77.9	80.2
Treatment charges	60.0	66.9	66.9	70.3	74.2	78.4	82.1
Resource Recovery	10.6	6.5	8.0	8.0	8.0	8.0	8.5
Wet Weather Facilities charge	19.4	21.5	21.8	22.9	24.0	25.2	26.3
Property taxes	4.6	4.2	4.3	4.4	4.5	4.6	4.7
Ad Valorem Bond Levy	5.3	4.3	4.0	4.1	3.6	0.0	0.0
Interest income	0.2	0.7	0.4	0.7	1.1	1.2	1.2
Laboratory services	3.9	3.8	3.9	4.0	4.1	4.3	4.4
Reimbursements	1.6	0.9	1.0	1.0	1.1	1.1	1.1
Permit Fees	1.8	1.9	1.8	1.8	1.8	1.8	1.8
Capacity Charge	0.9	1.5	1.5	1.6	1.7	1.8	1.9
All other revenue	6.2	4.6	5.7	5.7	6.1	6.1	6.1
Operating Revenues Total	114.5	116.8	119.3	124.5	130.2	132.5	138.1
Revenue Funded Capital	25.9	30.9	37.0	14.6	19.9	22.0	23.0
Operations	59.7	63.4	65.4	70.7	73.4	75.9	78.6
Debt service	33.1	34.3	33.7	34.0	35.3	32.3	33.3
Expenses Total	118.7	128.6	136.1	119.3	128.6	130.2	134.9
Ending Balance	-	-	71.1	76.3	77.9	80.2	83.4
Policy Reserves	-	-	34.8	38.7	39.6	41.9	43.9

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

WASTEWATER SYSTEM FUND – KEY ASSUMPTIONS							
FIVE-YEAR FINANCIAL FORECAST							
	Actual FY14	Budget FY15	Forecast				
			FY16	FY17	FY18	FY19	FY20
% Rate Increase	9.0%	8.5%	5.0%	5.0%	5.0%	5.0%	4.0%
Debt Service Coverage	1.60	1.69	1.70	1.70	1.72	1.79	1.83
Average monthly single family residential bill (\$) based on 10 ccf/month	\$17.79	\$19.25	\$19.01	\$19.93	\$20.93	\$21.97	\$22.85

Based on a Cost of Service study conducted in the past year, FY16 will see a slight reduction in the wastewater treatment charge for single family residential (SFR) customers. The study found that an increase in strength, but a decrease in flow results in a net decrease to SFR customer bills and an increase to other customer bills.

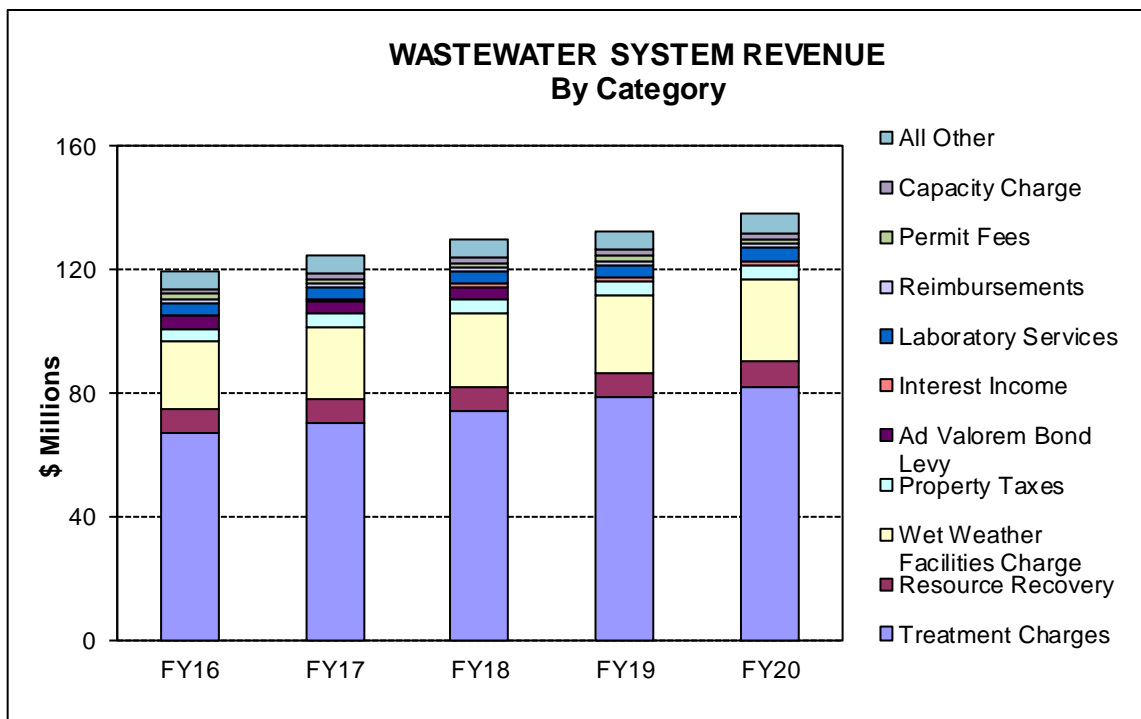
Five Year Projection of Revenues

The key factors driving the need for increased Wastewater System revenues are: inflation, increasing labor and budget costs, projected reductions in treatment revenue due to the drought, and increasing capital expenditures.

Projected annual operating revenues are expected to increase from \$119.3 million in FY16 to \$138.1 million by FY20, an increase of \$18.8 million or 15.8 percent. 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 \$66.9 million in FY16 to \$82.1 million in FY20 and increases in revenue from the wet weather facilities charge from \$21.8 million in FY16 to \$26.3 million in FY20.

The following chart shows projected Wastewater System operating revenues by category for the next five years.



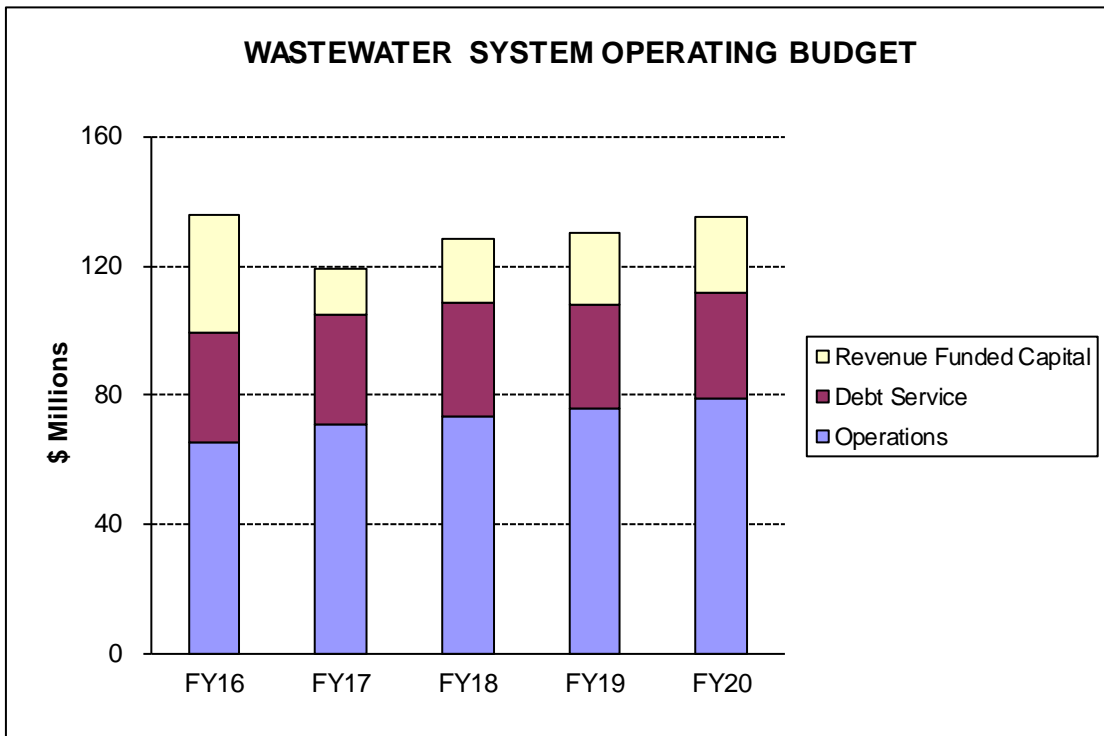
Five Year Projection of Operating Budget

The Wastewater System operations expenses are projected to increase from \$65.4 million in FY16 to \$78.6 million in FY20, an increase of 4.7 percent per year.

Debt service requirements are expected to decrease from \$33.7 million in FY16 to \$33.3 million by FY20, a 0.3 percent decrease annually because of the retirement of the General Obligation bond in FY19.

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 \$37.0 million in FY16 to \$23.0 million in FY20, a decrease of 38 percent. However, the percentage of debt of funding will be 30.9 percent during the period, well below the policy target maximum of 65 percent.

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



Five Year Projection of Reserves

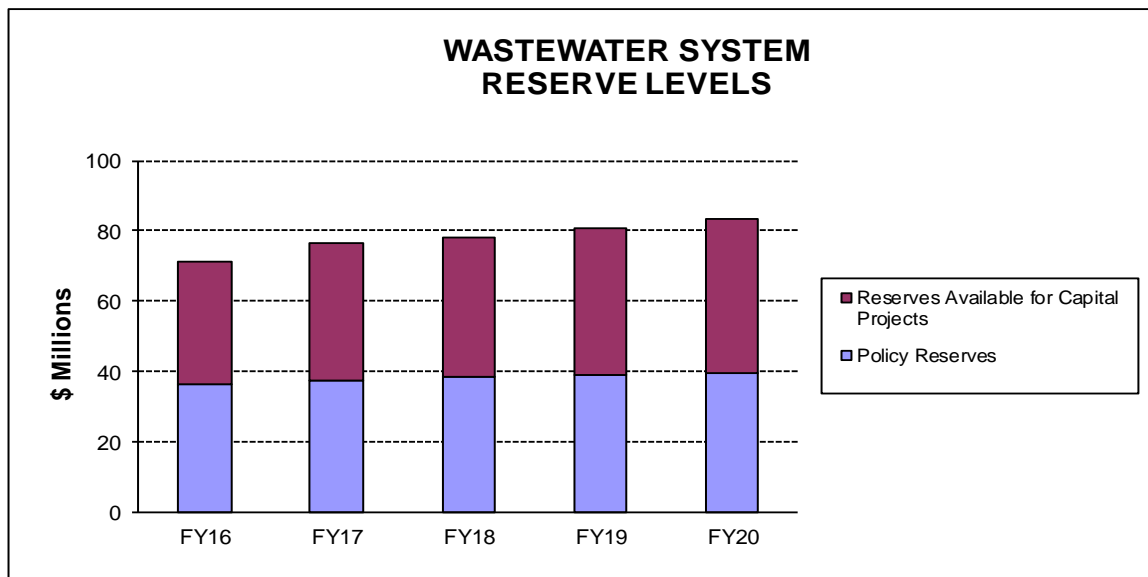
The operating reserves consist of:

- 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 \$3.2 million in FY16 and \$3.2 million in FY17
- Contingency/rate stabilization reserve of a minimum of 5 percent 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 policy reserve levels for the entire period.

WASTEWATER SYSTEM RESERVE COMPONENTS					
(\$ Millions)					
	Forecast				
	FY16	FY17	FY18	FY19	FY20
Projected Operating Budget Reserves	71.1	76.3	77.9	80.2	83.4
Policy Reserves					
Working Capital	16.4	17.7	18.4	19.0	19.7
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>17.6</u>	<u>17.6</u>	<u>17.6</u>	<u>17.6</u>	<u>17.6</u>
Total Policy Reserves	36.3	37.6	38.3	38.9	39.6
Reserves Available for Capital Projects	34.8	38.7	39.6	41.9	43.9

The following chart 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 \$159.5 million in capital project appropriations, including administration of capital expenses, and \$168.5 million in projected cash flow spending.

The focus of the CIP is the five-year period from FY16-20. Capital needs have been estimated for a second five-year period from FY21-25, 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 FY16-20 CIP, 92 percent 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 infrastructure, 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.

For the FY16-20 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 31 percent, which is less than the target maximum of 65 percent contained in the District's debt policy, and debt service will drop by \$0.4 million as the general obligation bonds are paid off by FY19. Wastewater System total outstanding debt will decrease by \$7 million during the period. Total debt outstanding at the end of the five-year period will total \$416 million.

In FY16 and FY17, the debt coverage ratio will be 1.70 and 1.70, respectively, and for FY18 through FY20, the ratio meets or exceeds the targeted coverage rate of 1.60.

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 FUND - CAPITAL BUDGET						
FIVE-YEAR FINANCIAL FORECAST						
(\$ Millions)						
	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>Totals</u>
Beginning Balance	0.0	0.0	0.0	0.0	0.0	-
Resources:						
Commercial Paper Issues	0	0	0	0	0	0
New Bond Proceeds	2.0	22.1	15.2	8.8	3.9	52.0
Grants and Loans Proceeds	0	0	0	0	0	0
Reimbursements	0	0	0	0	0	0
Revenue Funded Capital	<u>37.0</u>	<u>14.6</u>	<u>19.9</u>	<u>22.0</u>	<u>23.0</u>	<u>116.5</u>
Total Resources	39.0	36.7	35.1	30.8	26.9	168.5
Expenditures:						
Capital Cash Flow (discounted)	36.0	33.7	32.0	27.6	23.6	152.9
Administration of Capital	<u>3.0</u>	<u>3.0</u>	<u>3.1</u>	<u>3.2</u>	<u>3.3</u>	<u>15.6</u>
Total Expenditures	39.0	36.7	35.1	30.8	26.9	168.5
Ending Balance	0.0	0.0	0.0	0.0	0.0	-
Debt Percentage of Funding	5.1%	60.2%	43.3%	28.6%	14.5%	30.9%

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

DEBT OUTSTANDING AND DEBT SERVICE AT END OF FISCAL YEAR					
(\$ Millions)					
	Forecast				
	FY16	FY17	FY18	FY19	FY20
Beginning of Year Outstanding Debt	423.9	412.9	422.7	424.9	423.2
Debt Retired	13.0	13.7	13.8	10.7	11.2
New Bond Issues and Commercial Paper	<u>2.0</u>	<u>23.5</u>	<u>16.0</u>	<u>9.0</u>	<u>4.0</u>
Total Outstanding Debt	412.9	422.7	424.9	423.2	416.0
Debt Service, Existing Debt	33.2	33.5	33.1	29.5	29.4
Debt Service, New Debt	0.1	0.1	1.8	2.4	3.5
Debt Servicing Costs	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>
Total Debt Service	33.7	34.0	35.3	32.3	33.3

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STATISTICAL AND SUPPLEMENTAL INFORMATION

Statistical and Supplemental Information

The following provides additional statistical and supplemental information about the District.

Form of Government

The East Bay Municipal Utility District is a California Special District with water provision and wastewater treatment as its primary functions. It has corporate and tax powers but lacks the police powers of general purpose government. More detailed information can be found in the Introduction to this Volume, including the names and roles of elected and appointed officials. The Board of Directors is the body responsible for approving the biennial budget, and their appointed officials are responsible for developing and implementing the budget.

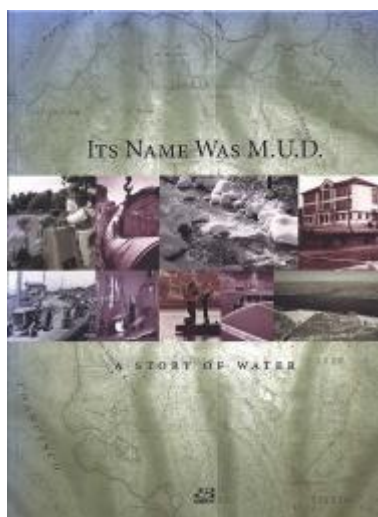
Geography

The location of the Water service area and Wastewater service area are shown on a map in the Introduction. EBMUD's service area enjoys a Mediterranean climate and includes four modestly different climate zones (14-17) as defined by the Sunset Western Garden Book. The local climate impacts demand for water usage; the winter months are the coolest and are when almost all precipitation occurs, and the summer months are warm to hot but include almost no rainfall. Likewise, most of EBMUD's historical water supply falls as snow and rain in the Western Sierra Nevada range during the winter. The past four years have been some of the driest on record in California, which has impacted water supply availability and required the need to purchase more expensive supplemental water supplies from outside of the Mokelumne watershed to meet customer demand.

Community Profile

A short historical narrative of the District is provided in the Introduction section.

A timeline of the District's history is located at www.ebmud.com/about-us/who-we-are/mission-and-history.

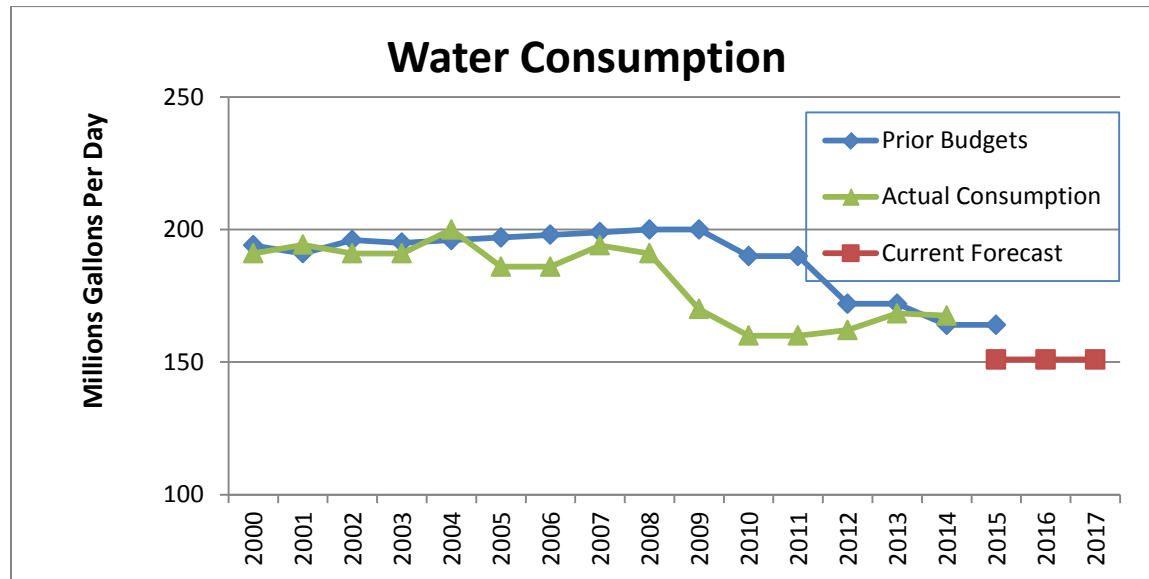


An additional publication providing specific historical details and photos of the District's legacy can be found in Its Name was M.U.D. - A Story of Water, which can be purchased on-line at www.ebmud.com/store/books/its-name-was-mud.

Demographics and Economics

Population and Water Consumption

As shown in the Introduction, population trend data for the past 35 years is an upward trend for the region. Despite the population growth, per capita water usage has dropped recently as shown in the chart below.



Customer Accounts

The Water System has 380,542 active accounts. Over 90% of water system active service connections are residential accounts, which make up approximately 53% of total water usage.

Water System Accounts

Water System	Customer accounts by type (active)	Consumption by Type (MGD)	Percent of water usage
Residential	345,240	89.3	53.3%
Commercial	31,911	53.9	32.2%
Industrial	1,123	16.8	10.0%
Other	2,268	7.5	4.5%

The Wastewater System has 175,467 connections.

Wastewater System Accounts

Wastewater System	Customer accounts by type (active)
Residential	157,258
Commercial	16,767
Industrial	682
Other	760

Major Customers

The following is a list of the principal water rate payers which is shown in the District's 2014 Comprehensive Annual Financial Report (CAFR) (p. 107), which can be found at www.ebmud.com/about-us/investors/financial-reports.

Top 20 Principal Rate Payers

	ASSOCIATION NAME	AMOUNT (\$000s)	% OF TOTAL
1	Chevron	\$12,638	3.48%
2	ConocoPhillips	7,185	1.98%
3	UC Berkeley	4,023	1.11%
4	Golden Rain Foundation	2,922	0.80%
5	C & H Sugar	2,219	0.61%
6	City of Alameda	2,114	0.58%
7	City of San Ramon	1,290	0.36%
8	City of Oakland	1,232	0.34%
9	San Ramon Unified Schools	1,106	0.30%
10	Blackhawk	1,057	0.29%
11	Oakland Housing Authority (CAFR)	1,031	0.28%
12	Oakland Unified School District	973	0.27%
13	Port of Oakland	943	0.26%
14	Kaiser Permanente	929	0.26%
15	Safeway Stores	827	0.23%
16	West Contra Costa USD	766	0.21%
17	City of Richmond	731	0.20%
18	Coca Cola	727	0.20%
19	Town of Danville	691	0.19%
20	Bayer	<u>648</u>	<u>0.18%</u>
	Top 20 Total Annual Billings	\$44,052	12.14%
	Total Annual Billings	\$362,996	

The following is a list of the principal wastewater rate payers.

Top 10 Wastewater Rate Payers

	ASSOCIATION NAME	AMOUNT (\$000s)
1	UC Berkeley	\$1,076
2	Oakland Housing Authority (CAFR)	557
3	City of Alameda	395
4	Port of Oakland	297
5	SVC Manufacturing	245
6	Safeway Stores	238
7	Oakland Unified School District	234
8	City of Oakland	202
9	Bayer	197
10	Alameda County	118

Water Smart Business Certification

The WaterSmart Business Certification was established by the Board of Directors to showcase businesses that have achieved a high level of water conservation and water use efficiency.

The program is open to EBMUD commercial, industrial, and institutional customers, including commercial landscape irrigators. Assessments include water uses in offices and retail trade, food service and hospitality, cleaning and wash down, cooling, industrial process water use, and landscape irrigation, among others. Certification is awarded to individual sites/facilities or through an incremental certification process to businesses or institutions with multiple sites/facilities.



Certified applicants are invited to an annual recognition event and are granted the use of the WaterSmart logo for display, web posting, and advertising. EBMUD may feature certified businesses in publication materials and online. Whether or not certification is awarded, participating businesses learn how to reduce operating costs and how to obtain rebates for water efficiency improvements. EBMUD staff complete a water use assessment, recommend cost-effective water saving measures and provide resources for implementing water-efficiency upgrades, including technical reports and conservation incentives.

2014 WaterSmart Business Certification Recipients

The EBMUD Board of Directors recognized 16 additional businesses and institutions for outstanding water use efficiency in 2014. Each business worked with EBMUD to assess their water use, implement water saving measures at their facilities, and make ongoing water management a priority. These EBMUD customers reduced their combined annual water use by more than six million gallons in 2014. Together they saved enough water to supply the indoor water needs for 24 families for one year. As these businesses learned, water efficiency doesn't have to be complicated or expensive. Making small changes in infrastructure such as installing aerators or reducing watering times for landscape can yield great results. Since the beginning of the program in 2010, sixty-one WaterSmart recipients have saved over 100 million gallons annually.

- Alameda Municipal Power, Alameda
- Autumn Press, Inc., Berkeley
- Bacchus Press, Inc., Emeryville
- Berkeley Chamber of Commerce, Berkeley
- Castro Valley/Eden Area Chamber of Commerce, Castro Valley
- City of Alameda Public Works Department: Central Equipment Garage, Alameda
- City of Berkeley Civic Center and Provo Park, Berkeley
- Contra Costa Association of Realtors, Walnut Creek
- David Brower Center, Berkeley
- Give Something Back, Oakland
- Grandma's Garage, Berkeley
- Hesperian Cleaners, San Lorenzo
- I Song Orthodontics, Albany
- Lake Merritt Dental, Oakland
- Oakland Marriott City Center, Oakland
- Revolution Foods, Oakland

Major Employers

The economy of the Bay Area has continued to rebound since the recession, and growth is expected to continue in the FY16-FY17 time period. The following two charts show major employers within the EBMUD service area for each county.

Alameda County Major Employers (June 2013) ⁽¹⁾

Employer Name	Location	Industry
University of California	Berkeley	Colleges, Universities & Professional Schools
Alameda County	Oakland	Police Protection
Manufacturing Berkeley National Lab	Berkeley	Research & Development in Biotechnology
Novartis Vaccines & Diagnostics	Emeryville	Research & Development in Biotechnology
City of Oakland	Oakland	Local Government
Alta Bates Summit Medical Center	Berkeley	General Medical & Surgical Hospitals
Transportation Department – State of CA	Emeryville	Regulation & Administration-Transportation Programs
Kaiser Foundation Health Plan	Oakland	General Medical & Surgical Hospitals
Children’s Hospital Health Library	Oakland	Libraries & Archives
U.S. Post Office	Alameda	Postal Service
Clorox Co.	Oakland	Other Chemical & Allied Products Merchant
City of Berkeley	Berkeley	Local Government

(1) All of the employers identified on this list are located within the service area of Special District No. 1.

Contra Costa County Major Employers (June 2013) ⁽¹⁾

Employer Name	Location	Industry
Kaiser Permanente Medical Center	Walnut Creek	General Medical & Surgical Hospitals
Safeway Inc.	Alamo	Supermarkets/Other Grocery (Except Convenience Stores)
Bay Area Rapid Transit (BART)	Richmond	Other Urban Transit Systems
City of Richmond	Richmond	Local Government
U.S. Post Office	Alamo	Postal Service
City of Pittsburg	Pittsburg	Pittsburg
Doctors Medical Center	San Pablo	General Medical & Surgical Hospitals

(1) All of the employers identified on this list are located outside the service area of Special District No. 1.

Source: 2013 County of Alameda and County of Contra Costa, Comprehensive Annual Financial Reports

Unemployment

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

UNEMPLOYMENT RATES *
Seven Largest Cities in Service Area
Alameda and Contra Costa Counties and California

City/County/State	March 2015	September 2014	March 2013	September 2012
Alameda	4.1%	3.8%	6.6%	6.2%
Berkeley	3.8%	5.4%	6.1%	8.6%
Oakland	5.9%	8.8%	9.3%	13.7%
San Leandro	5.1%	5.6%	8.2%	8.9%
San Ramon	3.4%	2.3%	5.3%	3.7%
Richmond	5.8%	9.6%	9.0%	14.6%
Walnut Creek	3.4%	3.8%	5.4%	6.1%
Alameda County	4.7%	5.6%	7.6%	9.0%
Contra Costa Co	5.0%	5.8%	7.8%	9.0%
California	6.5%	7.0%	9.4%	10.4%

* California Employment Development Department
www.labormarketinfo.edd.ca.gov
Last Accessed 6.15.15. Data not seasonally adjusted

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BOARD OF DIRECTORS' RESOLUTIONS

Board of Directors' Resolutions

This section includes the Board of Directors' Resolutions for the Fiscal Years 2016 and 2017 Biennial Budget relating to rates, charges, and fees, budgets, and staffing positions.

Resolutions – Rates, Charges and Fees

Resolution

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RESOLUTION NO. 34037-15

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 McIntosh ; Seconded by Director Patterson

WHEREAS, the Board of Directors is adopting the Fiscal Year 2016 and Fiscal Year 2017 Operating and Capital Biennial Budget for expenditures necessary and advisable for the proper conduct of the activities of the East Bay Municipal Utility District (“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, in November 2013, the District retained Raftelis Financial Consultants to perform an independent cost of service (“COS”) study for the water and wastewater systems, including a study of the proposed Drought Surcharges, to ensure that the District’s rates and charges are compliant with the requirements of Proposition 218 (article XIII D, section 6 of the California Constitution); and

WHEREAS, in April 2015, Raftelis Financial Consultants completed the District’s COS study and identified adjustments to individual water and wastewater rates and charges to conform to Proposition 218 cost of service principles, and substantiated the District’s proposed Drought Surcharges as being consistent with Proposition 218; and

WHEREAS, on April 14, 2015, the Board of Directors adopted an emergency declaration under Water Code section 350, *et seq.* of a continuation of the water shortage emergency initially declared by the Board in August 2014, and declared a Stage 4 drought, as defined in the District’s Revised Drought Management Program Guidelines; and

WHEREAS, in accordance with section 14401 of the Public Utilities Code, the General Manager filed with the Board of Directors of the District the Biennial Report and Recommendation of the General Manager Fiscal Year 2016-2017, dated May 12, 2015 (“Biennial Report”), recommending revisions to the water and wastewater rates and charges to meet the District’s revenue requirements for Fiscal Year 2016 and Fiscal Year 2017 including: (1) water service charges and flow charges for residential, multi-family, commercial, and industrial customers; (2) new drought surcharges; (3) wastewater treatment service charges and flow charges; (4) Revised Schedule A, Rate Schedule for Water Service; (5) New Schedule L, Drought Surcharge Rate Schedule for Water Service; and (6) Revised Wastewater System Schedules A (Rates for Treatment Service) and F (Wet Weather Facilities Charge) to update the respective wastewater charges; and

WHEREAS, the results of the April 2015 COS study were incorporated and reflected in the Biennial Report, and in the recommended revisions to the water and wastewater rates and charges, and the proposed Drought Surcharges for Fiscal Year 2016 and Fiscal Year 2017; and

WHEREAS, the water service fees have five customer classes (Single Family Residential, Multi-Family Residential, Other, Nonpotable/Recycled, and Private Fire Customers), and the rates for the water service fees have five components: (1) a Water Flow Charge; (2) a Water Service Charge; (3) a Water Elevation Surcharge; (4) a Private Fire Service Charge; and (5) a Drought Surcharge when a Stage 2, Stage 3, or Stage 4 drought has been declared by the Board of Directors; and

WHEREAS, as evidenced by the COS Study and Biennial Report, 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, the rates for the wastewater service fees collected on the water bill have three components: (1) a Treatment Service Charge; (2) a Treatment Strength Charge; and (3) a Treatment Flow Charge; and

WHEREAS, the wastewater Wet Weather Facilities Charge is collected on the customer's property tax bill and based on the customer's lot size; and

WHEREAS, together, as evidenced by the COS Study and Biennial Report, 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, as evidenced by the COS Study and Biennial Report, 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 (45) 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 on March 24 and April 14, 2015 and a public hearing on June 9, 2015, all noticed in the manner and for the time required by law, were conducted by the Board of Directors, 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 the Biennial Report have been given full opportunity to be heard by the Board of Directors, and the Board of Directors has fully considered said Biennial Report; 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 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 the water and wastewater rates and charges in order to evaluate its potential impacts. The Board of Directors determined that adoption of the rates and charges set forth in 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. This exemption determination is supported by the COS Study, Biennial Report, and foregoing Recitals. Further, the adoption of the rates and charges set forth in this Resolution is also exempt from the requirements of CEQA as an action with no possibility of causing a significant effect on the environment;

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

1. The foregoing 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 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 during the summer is approximately 393 gpd.
3. 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 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. A tiered water rate structure proportionately allocates the costs of providing water service to those who place the greatest demands on East Bay Municipal Utility District's water system and water supplies, and indirectly provides a conservation incentive to most users throughout the year to efficiently and reasonably use and not waste water.
5. The rates and charges for water service 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 of Directors also finds and determines that these rate structures are reasonably calculated to proportionately recover normal District costs and to achieve overall revenue neutrality for the entire rate structure.
6. The East Bay Municipal Utility District's Cost of Service Study, completed in April 2015, supports the cost of service to each customer class based on their demand characteristics, while being revenue neutral, and making no geographical differentiation.
7. The rates for the water elevation surcharge adopted herein are imposed to recover the costs to the East Bay Municipal Utility District of pumping and delivering water to higher elevations.
8. The rates for the Seismic Improvement Program surcharge, which are imposed to recover the cost of various seismic projects designed to strengthen East Bay Municipal Utility District infrastructure against the risks of earthquakes, is no longer needed because the revenues collected to date are sufficient to cover the remaining cost of the program. Accordingly, the Seismic Improvement Program surcharge will sunset and no longer apply as of the end of Fiscal Year 2015.
9. The Nonpotable Water Use Incentive Rate and additional water charge for unauthorized water use from private fire service meters will be eliminated and no longer applied. Accordingly, such charges will be removed from Water System Schedule A – Rates and Charges for Water Service as of the end of Fiscal Year 2015.
10. The rates and charges for water service are reasonable and appropriate, proportionately allocate the cost of providing water service, and will meet the Board of Directors' goal of overall revenue neutrality.

BE IT FURTHER RESOLVED:

11. Using equivalent Single Family Residential laterals as the basis for the wastewater Wet Weather Facilities Charge is no longer optimal given the shift in the Wet Weather Program towards infiltration and inflow ("I&I") and the upgrade of laterals. Accordingly, starting July 1, 2015, the Wet Weather Facilities Charge will be based on the customer's lot size to better reflect the potential amount of I&I entering into the wastewater system

from a customer's lot. Three categories of lot size will be used to calculate the Wet Weather Facilities Charge: 0-5,000 square feet ("sq. ft."); 5,001-10,000 sq. ft.; >10,000 sq. ft.

12. 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. At the close of the Hearing held on June 9, 2015, 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 water system rates and charges and wastewater system rates and charges recommended in the Biennial Report 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 Biennial Report are hereby overruled and denied and said Biennial Report 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 2016 contained in Chapter 5 of the Biennial Report 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, 2015; provided however that the revised water system rates and charges set forth in Schedule A shall take effect with billing cycles commencing on or after July 1, 2015, and will be prorated if a portion of the bill is for services rendered prior to July 1, 2015.
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 2017, as set forth in Exhibit A, is hereby adopted and the charges therein contained are hereby fixed and established to be effective July 1, 2016; 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, 2016, and will be prorated if a portion of the bill is for services rendered prior to July 1, 2016.
18. 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 2016 contained in Chapter 5 of the Biennial Report, 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, 2015; 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, 2015, and will be prorated if a portion of the bill is for services rendered prior to July 1, 2015.

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 2017 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, 2016; 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, 2016, and will be prorated if a portion of the bill is for services rendered prior to July 1, 2016.
20. As set forth more fully above and as evidenced by the COS Study and Biennial Report, the aforesaid actions constitute modification and approval of rates and other 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 of Directors therefore determines that its aforesaid actions are exempt from the requirements of the California Environmental Quality Act. The Board of Directors further determines that these actions are exempt from the requirements of CEQA because there is no possibility that adoption of the rates and charges set forth herein will have a significant effect on the environment. Therefore, the Board of Directors 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 of Directors.

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 9th day of June, 2015 by the following vote:

AYES: Directors Coleman, Katz, Linney, McIntosh
Patterson, Young, and President Mellon.

NOES: None.

ABSENT: None.

ABSTAIN: None.




President

ATTEST:



Secretary

APPROVED AS TO FORM AND PROCEDURE:



General Counsel

RESOLUTION NO. 34038-15

AUTHORIZING DROUGHT SURCHARGES 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 McIntosh ; Seconded by Director Patterson

WHEREAS, the Board of Directors is adopting the Fiscal Year 2016 and Fiscal Year 2017 Operating and Capital Biennial Budget for expenditures necessary and advisable for the proper conduct of the activities of the East Bay Municipal Utility District (the "District), including funding for needed capital projects and the operation of the water system, and to provide an adequate level of financial reserves and debt service coverage; and

WHEREAS, in November 2013, the District retained Raftelis Financial Consultants to perform an independent cost of service ("COS") study for the water and wastewater systems, including a study of the proposed Drought Surcharges, to ensure that the District's rates and charges are compliant with the requirements of Proposition 218 (article XIII D, section 6 of the California Constitution); and

WHEREAS, in April 2015, Raftelis Financial Consultants completed the District's COS study and identified adjustments to individual water and wastewater rates and charges to conform to Proposition 218 cost of service principles, and substantiated the District's proposed Drought Surcharges as being consistent with Proposition 218 cost of service principles; and

WHEREAS, in accordance with section 14401 of the Public Utilities Code, the General Manager filed with the Board of Directors of the District the Biennial Report and Recommendation of the General Manager Fiscal Year 2016-2017, dated May 12, 2015 ("Biennial Report"), recommending revisions to the water rates and charges to meet the District's revenue requirements for Fiscal Year 2016 and Fiscal Year 2017 including: (1) water service charges and flow charges for residential, multi-family, commercial, and industrial customers; (2) water elevation surcharges; (3) Schedule A, Rate Schedule for Water Service; and (4) New Schedule L, Drought Surcharge Rate Schedule for Water Service; and

WHEREAS, the results of the April 2015 COS study were incorporated and reflected in the Biennial Report, and in the recommended revisions to the water and wastewater rates and charges, and in the proposed Drought Surcharges for Fiscal Year 2016 and Fiscal Year 2017; and

WHEREAS, the water service fees have five customer classes (Single Family Residential, Multi-Family Residential, Other, Nonpotable/Recycled, and Private Fire Customers), and the rates for the water service fees have four components: (1) a Water Flow Charge; (2) a Water Service Charge; (3) a Water Elevation Surcharge; and (4) a Private Fire Service Charge; and

WHEREAS, as evidenced by the COS Study and Biennial Report, the water rates and charges are structured to proportionately allocate and recover the costs of providing water service on a parcel basis among the various customer classes; and

WHEREAS, as evidenced by the COS Study and Biennial Report, the revenues derived from the water charges will not exceed the funds required to provide water services and shall be used exclusively for the water systems; and

WHEREAS, the water 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 rates and charges will not be imposed on a parcel unless the water 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 service rates and charges, the District shall provide written notice (the “Notice”) by mail of: (1) 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 tenants directly liable for payment of the rates and charges not less than forty-five (45) 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, California Constitution article X, section 2 and California Water Code section 100 provide that because of conditions prevailing in the state of California (the “State”), it is the declared policy of the State that the general welfare requires that the water resources of the State shall be put to beneficial use to the fullest extent of which they are capable, the waste or unreasonable use of water shall be prevented, and 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 the public welfare; and

WHEREAS, pursuant to California Water Code section 106, it is the declared policy of the State that the use of water for domestic use is the highest use of water and that the next highest use is for irrigation; and

WHEREAS, pursuant to California Water Code section 375, the District is authorized to and has adopted a water conservation program to reduce the quantity of water used by persons within its jurisdiction for the purpose of conserving the water supplies of the District; and

WHEREAS, pursuant to the District's water conservation rules and regulations, if the District determines that it is necessary to declare that a water shortage exists, the District is authorized to implement certain water shortage response measures and a water conservation and regulatory program to regulate water consumption activities within the District and ensure that the water delivered in the District is put to beneficial use for the greatest public benefit, with particular regard to domestic use, including human consumption, sanitation, and fire protection, and that the waste or unreasonable use of water is prevented; and

WHEREAS, the District's Drought Management Program ("DMP") Guidelines establish the level of customer demand reductions that the District may consider and the amount of supplemental supply that the District may need based on the projected total system storage at the end of the water year. The DMP Guidelines are a component of the District's Water Shortage Contingency Plan in the 2010 Urban Water Management Plan ("UWMP"); and

WHEREAS, on April 14, 2015, the Board of Directors adopted Revised DMP Guidelines to address the existence of a protracted drought, and to include a provision for mandatory customer reduction goals greater than 15 percent, if necessary. The Revised DMP Guidelines will be incorporated into the update of the District's Water Shortage Contingency Plan as part of its 2015 UWMP; and

WHEREAS, on April 14, 2015, the District filed its Water Supply Availability and Deficiency Report 2015, and on its basis, the Board of Directors declared that the District's water supply is deficient for meeting customer demands in 2015; and

WHEREAS, on April 14, 2015, the Board of Directors adopted an emergency declaration under Water Code section 350, *et seq.* of a continuation of the water shortage emergency initially declared by the Board in August 2014, and declared a Stage 4 drought, as defined in the Revised DMP Guidelines, and the need to take drought response actions including the need for supplemental water supply and the establishment of a District-wide water use reduction goal; and

WHEREAS, on April 14, 2015, the Board of Directors adopted a revised Section 28 of the District's Regulations Governing Water Service to Customers. Section 28 provides for special prohibitions on water use, as well as enforcement through warnings, installation of flow restrictors, and disconnection of service. The revised Section 28 became effective April 14, 2015 and will remain in effect until it is either revised based on changing circumstances or rescinded when the Board of Directors has declared that the water shortage emergency is over; and

WHEREAS, the District's revenues are derived primarily from water consumption. Therefore, consumption is a key factor in the development of the financial plan to fund the Fiscal Year 2016 and Fiscal Year 2017 operating and capital budgets; and

WHEREAS, the water rate structure has a fixed revenue component that is not impacted by changes in water consumption; however, more than 70% of water revenue is collected based on the volume of water sold; and

WHEREAS, as customers conserve and reduce their consumption, particularly during water shortages, the District will experience a reduction in revenue from the sale of water unless rates are increased to compensate for the loss; and

WHEREAS, to prevent a significant loss in revenue and impacts on the ability of the District to provide safe and reliable water to its customers, the District included in the Notice separate Drought Surcharges; and

WHEREAS, the Drought Surcharges correspond to increasingly severe stages of water shortages (each a "Stage"), and are charged on each unit of potable water used during the billing period, and based on the COS Study are calculated to recover losses of revenue, and certain other costs, such as costs of providing supplemental water, costs of water shortage-related customer service, and water conservation and efficiency programs; and

WHEREAS, the Drought Surcharges will increase potable water customers' rates for the Water Flow Charge of the District's potable water service rates and charges as follows based on Proposition 218 cost of service principles: Stage 1 - 0%; Stage 2 - up to 8%; Stage 3 - up to 20%; Stage 4 - up to 25%. As evidenced by the COS Study, the amount of the increase to be implemented within each Stage will be determined on the basis of the District's projected increases in costs associated with the identified Stage. In no event will the Drought Surcharges implemented in any Stage exceed the projected costs of providing water service; and

WHEREAS, two public workshops and four special Board meetings in various parts of the water system service area were conducted on the proposed Drought Surcharges in August through November 2014, and a public hearing, noticed in the manner and for the time required by law, was conducted by the Board of Directors on June 9, 2015, 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 services, and at the close of the Hearing the District did not receive written protests against the establishment and imposition of the proposed rates and charges, including the Drought Surcharges, for the water services from a majority of the affected property owners and tenants directly liable for the payment of the water rates and charges; and

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

WHEREAS, the adoption of Drought Surcharges 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 Act; and

WHEREAS, the Board of Directors now desires to adopt and impose the proposed Drought Surcharges; and

WHEREAS, the 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 the Drought Surcharges in order to evaluate its potential impacts. The Board of Directors determined that adoption of the Drought Surcharges set forth in this Resolution is exempt from CEQA review under Public Resources Code section 21080(b)(8) and State CEQA Guidelines section 15273 because the Drought Surcharges are necessary and reasonable to fund the administration, operation, maintenance, and improvements of the water system and will not result in the expansion of the water system. This exemption determination is supported by the COS Study, Biennial Report, and foregoing Recitals. Further, the adoption of the Drought Surcharges set forth in this Resolution is also exempt from the requirements of CEQA as an action with no possibility of causing a significant effect on the environment;

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

1. The foregoing 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 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 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 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.

BE IT FURTHER RESOLVED:

3. At the close of the Hearing held on June 9, 2015, the District did not receive written protests against the establishment and imposition of the proposed rates and charges for the water and wastewater services, including the Drought Surcharges, from a majority of the affected property owners and tenants directly liable for the payment of the water rates and charges.
4. The Board of Directors finds and determines that the Drought Surcharges are designed to recover the estimated cost of providing the services for which said rates are charged.

BE IT FURTHER RESOLVED:

5. Beginning July 1, 2015, the Board of Directors is authorized to implement Drought Surcharges. Drought Surcharges may be imposed by the Board of Directors at the time or after a specific Stage has been declared by the Board of Directors in accordance with the District's DMP Guidelines. If implemented, the Drought Surcharges shall be applied to and increase the rates then in effect for the Water Flow Charge of the District's potable water service rates and charges by up to the following amounts: (a) Stage 1 - 0%; (b) Stage 2 - up to 8%; (c) Stage 3 - up to 20%; and (d) Stage 4 - up to 25%. The amount of the increase to be implemented within a declared Stage will be determined on the basis of the District's projected increases in costs associated with the declared Stage. In no event will Drought Surcharges implemented in any Stage exceed the District's projected costs of providing water service. When Drought Surcharges are implemented, the Water Flow Charge will be prorated if a portion of a customer's bill is for services rendered prior to implementation of the authorized Drought Surcharges by the Board of Directors. After Drought Surcharges are approved by the Board of Directors during any Stage, they shall remain in effect until otherwise modified or terminated by the Board of Directors.
6. As set forth more fully above and as evidenced by the COS Study and Biennial Report, the aforesaid actions constitute modification and approval of rates and other 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 of Directors therefore determines that its aforesaid actions are exempt from the requirements of the California Environmental Quality Act. The Board further determines that these actions are exempt from the requirements of CEQA because there is no possibility that adoption of the Drought Surcharges will have a significant effect on the environment. Therefore, the Board of Directors 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:

7. The new Schedule L “Drought Surcharge Rate Schedule for Water Service,” beginning Fiscal Year 2016 contained in Chapter 5 of the Biennial Report 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, 2015; provided, however, that the Drought Surcharges set forth in Schedule L shall take effect with billing cycles commencing on or after July 1, 2015, and will be prorated if a portion of the bill is for services rendered prior to July 1, 2015.
8. The new Schedule L “Drought Surcharge Rate Schedule for Water Service,” beginning Fiscal Year 2017 contained in Chapter 5 of the Biennial Report 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, 2016; provided, however, that the Drought Surcharges set forth in Schedule L shall take effect with billing cycles commencing on or after July 1, 2016, and will be prorated if a portion of the bill is for services rendered prior to July 1, 2016.
9. Given the April 14, 2015 declaration by the Board of Directors of a Stage 4 drought, the corresponding Stage 4 Drought Surcharge of up the 25% shall be applied and increase the rates then in effect for the Water Flow Charge of the District’s water service rates and charges to be effective July 1, 2015; provided, however, that the Stage 4 Drought Surcharge shall take effect with billing cycles commencing on or after July 1, 2015, and will be prorated if a portion of the bill is for services rendered prior to July 1, 2015. The Stage 4 Drought Surcharge shall remain in effect until otherwise modified or terminated by the Board of Directors.
10. The appropriate officers of the District are hereby authorized and directed to take such actions as shall be necessary to impose, enforce and collect said rates and charges.
11. The District Board of Directors hereby declares that it would have adopted each section of this Resolution 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 of Directors.

12. This Resolution shall supersede all other previous District Board of Directors resolutions and ordinances that may conflict with, or be contrary to, this Resolution, and shall take effect immediately upon its adoption.


Adopted this 9th day of June, 2015 by the following votes:

AYES: Directors Coleman, Katz, Linney, McIntosh, Patterson, Young, and President Mellon.

NOES: None.

ABSENT: None.

ABSTAIN: None.




President

ATTEST:



Secretary

APPROVED AS TO FORM AND PROCEDURE:



General Counsel

RESOLUTION NO. 34039-15

ADOPTING REVISED REGULATIONS AND REVISED WATER SYSTEM SCHEDULE OF RATES AND CHARGES, SYSTEM CAPACITY CHARGE, STANDARD PARTICIPATION CHARGE, RECREATION FEES, PUBLIC RECORDS ACT FEES, AND WASTEWATER SYSTEM SCHEDULE OF RATES & 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 McIntosh ; Seconded by Director Patterson

WHEREAS, the Board of Directors is adopting the Fiscal Year 2016 and Fiscal Year 2017 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 2016-2017, dated May 12, 2015 (“Biennial Report”), recommending revisions to the rates and charges to meet the District’s revenue requirements for Fiscal Year 2016 and Fiscal Year 2017 including (1) system capacity, installation, and service charges and fees for residential, multi-family, commercial, and industrial customers; (2) Schedules C, H, J, and N of the Water System Schedule of Rates and Charges for Customers of the East Bay Municipal Utility District; (3) Schedules D and G of the Wastewater System Schedule of Rates and Charges for Customers of East Bay Municipal Utility District; (4) Sections 1, 2, 3, 9, 29, 30, and 31 of the Regulations Governing Water Service of the East Bay Municipal Utility District to define terms used in the Regulations, and make additional clarifying and administrative changes to regulations governing the application for service, the requirements for standard service and guarantee deposits, prohibitions on the wasteful use of water, nonpotable water service, and water efficiency requirements; (5) Recreation Fees for the Camanche Hills Hunting Preserve, Camanche Reservoir, Lafayette Reservoir, Pardee Reservoir, and San Pablo Reservoir; and (6) the duplication and computer programming fees related to Public Record Act requests and fees applicable to the EBMUD publication, Plants and Landscapes for Summer Dry Climates of the San Francisco Bay Region; and

WHEREAS, the changes to rates, charges and fees as described above and as further set forth in this resolution are not subject to Proposition 218 (article XIII D, section 6 of the California Constitution), but are subject to the public notice and hearing requirements stated in Chapter 11.5 of the Municipal Utility District Act; and

WHEREAS, public workshops on March 24 and April 14, 2015, and a public hearing on June 9, 2015, noticed in the manner and for the time required by law, were conducted by the Board of Directors, 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, all comments, objections, and protests to said Biennial Report have been given full opportunity to be heard by the Board of Directors, and the Board has fully considered said Biennial Report; 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 Proposition 218, are included in separate rate resolutions and consideration of those proposed changes, including the adoption of Drought Surcharges, has been scheduled for a separate Proposition 218 public hearing on June 9, 2015;

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

1. The foregoing Recitals are true and correct, and by this reference are incorporated herein and made a part hereof.
2. 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 and were determined based upon District estimates of the costs of providing the relevant services. 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.
3. 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 within the District's existing service area, which facilities are described by category in said Biennial Report, and in the System Capacity Charge Study completed by Bartle Wells Associates. 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.

4. 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's existing service area.
5. The water system rates and charges and wastewater charges as herein described and recommended in the Biennial Report, 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, as determined by the District based upon evidence regarding such costs.
6. The revisions to Sections 1, 2, 3, 9, 29, 30, and 31 of the Regulations Governing Water Service of the East Bay Municipal Utility District define terms used in the Regulations, and make additional clarifying and administrative changes to regulations governing the application for service, the requirements for standard service and guarantee deposits, prohibitions on the wasteful use of water, nonpotable water service, and water efficiency requirements.
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. These rates, charges, and fees were determined by the District based upon evidence regarding such costs.

BE IT FURTHER RESOLVED:

8. All objections and protests to the Biennial Report are hereby overruled and denied and said Report is hereby accepted and approved.
9. The revised Schedules C, H, J, and N of the Water System Schedule of Rates and Charges for Customers of the East Bay Municipal Utility District, beginning Fiscal Year 2016, and the revised Sections 1, 2, 3, 9, 29, 30, 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, 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, 2015; provided however that the revised Water System Schedules H, J, and N shall take effect on August 10, 2015, or sixty days following adoption by the Board of Directors.
10. The revised Schedules D and G of the Wastewater System Schedule of Rates and Charges for Customers of East Bay Municipal Utility District beginning Fiscal Year 2016, and contained in Chapter 5 of the Biennial Report, attached hereto as Exhibit B, are hereby adopted and the charges and provisions therein contained are hereby fixed and established to be effective July 1, 2015; provided however that the revised Wastewater Capacity Fees set forth in Wastewater System Schedule G will be effective on August 10, 2015, or sixty days following adoption by the Board of Directors.
11. The revised Schedule D of the Wastewater System Schedule of Rates and Charges for Customers of East Bay Municipal Utility District beginning Fiscal Year 2017, and contained in Chapter 5 of the Biennial Report, 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, 2016.
12. The revised Recreation Fees beginning Calendar Year 2016, and contained in Chapter 5 of the Biennial Report, attached hereto as Exhibit C, are hereby fixed and established to be effective January 1, 2016.
13. The revised Recreation Fees beginning Calendar Year 2017, and contained in Chapter 5 of the Biennial Report, attached hereto as Exhibit C, are hereby fixed and established to be effective January 1, 2017.

14. The revised duplication and computer programming fees related to Public Record Act requests and the fees for the East Bay Municipal Utility District publication, Plants and Landscapes for Summer Dry Climates of the San Francisco Bay Region, contained in Chapter 5 of the Biennial Report, and attached hereto as Exhibit D, are hereby fixed and established to be effective July 1, 2015.

15. 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. Based on information in the administrative record, including the District’s evidence-based estimates of the costs of providing the relevant services, 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 District’s existing service area; and the Board of Directors therefore determines that its aforesaid actions are exempt from the requirements of the CEQA, 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:

16. 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 of Directors. The Board of Directors 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:

17. 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, rates, charges, and regulations.

ADOPTED this 9th day of June, 2015 by the following vote:

AYES: Directors Coleman, Katz, Linney, McIntosh,
Patterson, Young, and President Mellon.

NOES: None.

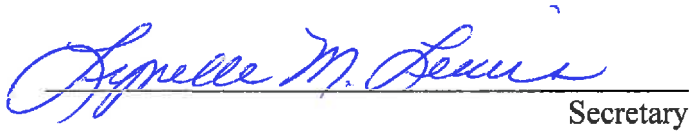
ABSENT: None.

ABSTAIN: None.



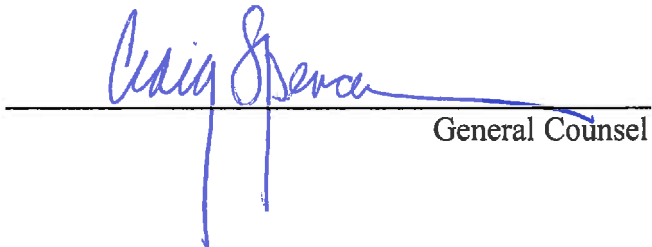
President

ATTEST:



Secretary

APPROVED AS TO FORM AND PROCEDURE:



General Counsel

Resolution – Operating and Capital Budget

Resolution

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RESOLUTION NO. 34040-15

APPROVING THE BUDGET OF THE EAST BAY MUNICIPAL UTILITY DISTRICT
WATER AND WASTEWATER SYSTEMS FOR FY16 AND FY17 AND ESTABLISHING
THE TERMS AND CONDITIONS FOR THE PAYMENT OF
DEMANDS AGAINST THE DISTRICT

Introduced by Director **Linney** ; Seconded by Director **Patterson**

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 Proposed Biennial Budget Fiscal Years 2016 – 2017 (“Proposed Biennial Budget”); and

WHEREAS, the Proposed Biennial Budget reflects proposed regular rate increases and a proposed staged system of temporary drought rates. The proposed regular rate increases are 8.0% and 7.0% for the Water System, and 5.0% and 5.0% for the Wastewater System for Fiscal Years 2016 and 2017, respectively. The proposed drought surcharges are up to 8%, 20%, and 25% for drought stages 2, 3, and 4, respectively, which would apply to each unit of potable water consumed; and

WHEREAS, workshops were held on March 24 and April 14, 2015, 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 2016 and Fiscal Year 2017 presented by the General Manager is hereby approved and adopted as the Fiscal Year 2016 and Fiscal Year 2017 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 2016 and Fiscal Year 2017 budget is expressed in major groups of accounts as indicated below. The following amounts are hereby appropriated for expenditure:

WATER SYSTEM:	<u>FY16</u>	<u>FY17</u>
Operating Budget	\$248,264,050	\$262,232,152
Debt Service	169,893,834	180,191,474
Capital Budget	<u>249,042,000</u>	<u>290,392,000</u>
Sub-Total Water System	\$667,199,884	\$732,815,626
Drought Contingency	<u>64,206,610</u>	<u>62,077,841</u>
Total Water System	<u>\$731,406,494</u>	<u>\$794,893,467</u>
WASTEWATER SYSTEM		
Operating Budget	\$65,448,427	\$70,717,054
Debt Service	33,692,738	33,955,928
Capital Budget	<u>70,536,000</u>	<u>32,583,000</u>
Total Wastewater System	<u>\$169,677,165</u>	<u>\$137,255,982</u>

3. The General Manager is authorized to approve the payment of demands against the District in Fiscal Year 2016, 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 2016. Projection of the District's operations with respect to Fiscal Year 2017 will be resubmitted to the Board in June 2016 for review and approval, consistent with Public Utilities Code Section 11891.5.
4. The General Manager is authorized for Fiscal Year 2016 and Fiscal Year 2017 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 section 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 2015 and Fiscal Year 2016, 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 2016 and Fiscal Year 2017 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 2016 and Fiscal Year 2017, or set aside revenues in a restricted fund to fund capital expenditures. Directors and Department Head managers are 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 for the General Manager in this Resolution. An annual report of the transferred unexpended funds will be submitted by the Budget Office to the General Manager.
8. Any monies received during Fiscal Year 2016 and Fiscal Year 2017 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 therefore 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 2016 and 2017. 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 \$249.0 million in Fiscal Year 2016

and \$290.4 million in Fiscal Year 2017 in the Water System, and \$70.5 million for Fiscal Year 2016 and \$32.6 million in Fiscal Year 2017 for the Wastewater System.


ADOPTED this 9th day of June, 2015 by the following vote:

AYES: Directors Coleman, Katz, Linney, McIntosh,
Patterson, Young, and President Mellon.

NOES: None.

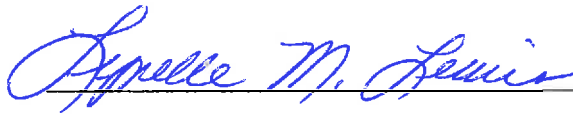
ABSENT: None.

ABSTAIN: None.




President

ATTEST:



Secretary

APPROVED AS TO FORM AND PROCEDURE:



General Counsel

Resolution – Staffing

Resolution

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RESOLUTION NO. 34041-15

AUTHORIZING THE NUMBER AND CHARACTER OF POSITIONS
AND AUTHORIZING THE GENERAL MANAGER TO TAKE
ACTION IN CONNECTION THEREWITH

Introduced by Director Linney ; 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 2,056 full-time equivalent (FTE) positions be authorized to carry on the functions of the District in Fiscal Year 2016 and 2,059 FTE positions be authorized to carry on the functions of the District in Fiscal Year 2017;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the East Bay Municipal Utility District as follows:

1. That 2,056 FTE positions be and hereby are authorized for Fiscal Year 2016 and 2,059 FTE positions be and hereby are authorized for Fiscal Year 2017, 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 2016 and Fiscal Year 2017, 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 of Directors 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 2016 and Fiscal Year 2017 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 2016 and Fiscal Year 2017 be evaluated and reported on by departments as part of their budget request for Fiscal Year 2016 and Fiscal Year 2017. 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. 33990-14, and Resolution No. 33936-13, 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 designee to create special replacement positions (Section 4, Resolution No. 30950-84; Section 3, Resolution No. 31904-87, and Section 4, Resolution No. 32084-88 as amended by Resolution No. 33425-04) and to transfer functions and positions (Section 5, Resolution No. 30950-84) and to approve special replacement positions/classifications for Limited Term and Temporary Construction positions (Section 3, Resolution No. 31303-85) 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 of Risk Management Analyst shall be created and added; and
2. The classification of Business Development Representative shall be created and added; and
3. The classification of Human Resources Regulatory Coordinator shall be created and added; and
4. The classifications of Audio/Visual Coordinator, Classification and Pay Administrator, Cost Estimator, Employee Transportation Coordinator, and Organizational Development Specialist shall be deleted; and

5. The classification title of Affirmative Action Officer shall be changed to Diversity and Inclusion Officer; and
6. The Management Salary Plan Range for the Senior HRIS Analyst classification shall be changed from Step Range 74 to Step Range 73.

BE IT FURTHER RESOLVED that this Resolution shall become effective July 1, 2015.

ADOPTED this 9th day of June, 2015 by the following vote:

AYES: Directors Coleman, Katz, Linney, McIntosh, Patterson, Young, and President Mellon.

NOES: None.


ABSENT: None.

ABSTAIN: None.



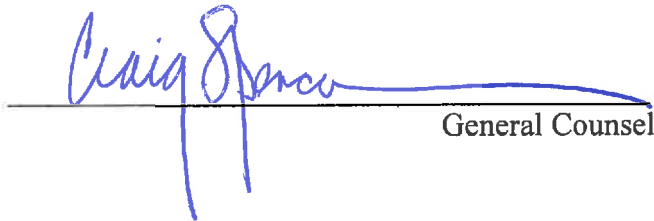
President

ATTEST:



Secretary

APPROVED AS TO FORM AND PROCEDURE:



General Counsel

EXHIBIT "A"
SUMMARY OF STAFF CHANGES
 (June 9, 2015)

Group/Department	FY15	FY16	FY16	FY16	FY17	FY17
	Amended Staff Years ⁽¹⁾	Recommended Staff Years ⁽²⁾	Net Change	Recommended Staff Years ⁽²⁾	Net Change	Net Change
ADMINISTRATION	<u>2.0</u>	<u>2.0</u>	<u>0.0</u>	<u>2.0</u>	<u>0.0</u>	<u>0.0</u>
CUSTOMER AND COMMUNITY SERVICES	<u>142.5</u>	<u>154.5</u>	<u>12.0</u>	<u>156.5</u>	<u>2.0</u>	<u>2.0</u>
ENGINEERING AND CONSTRUCTION	<u>250.5</u>	<u>256.5</u>	<u>6.0</u>	<u>257.5</u>	<u>1.0</u>	<u>1.0</u>
FINANCE	<u>189.5</u>	<u>190.5</u>	<u>1.0</u>	<u>190.5</u>	<u>0.0</u>	<u>0.0</u>
Finance	97.5	97.5	0.0	97.5	0.0	0.0
Information Systems	92.0	93.0	1.0	93.0	0.0	0.0
HUMAN RESOURCES	<u>58.0</u>	<u>58.0</u>	<u>0.0</u>	<u>58.0</u>	<u>0.0</u>	<u>0.0</u>
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>	<u>0.0</u>
OFFICE OF THE GENERAL MANAGER	<u>26.5</u>	<u>25.5</u>	<u>-1.0</u>	<u>25.5</u>	<u>0.0</u>	<u>0.0</u>
MAINTENANCE AND CONSTRUCTION	<u>682.5</u>	<u>701.5</u>	<u>19.0</u>	<u>701.5</u>	<u>0.0</u>	<u>0.0</u>
OPERATIONS & MAINTENANCE SUPPORT	<u>50.0</u>	<u>50.0</u>	<u>0.0</u>	<u>50.0</u>	<u>0.0</u>	<u>0.0</u>
WATER OPERATIONS	<u>196.5</u>	<u>197.5</u>	<u>1.0</u>	<u>197.5</u>	<u>0.0</u>	<u>0.0</u>
WATER AND NATURAL RESOURCES	<u>107.5</u>	<u>107.5</u>	<u>0.0</u>	<u>107.5</u>	<u>0.0</u>	<u>0.0</u>
Water Resources	38.0	38.0	0.0	38.0	0.0	0.0
Natural Resources	69.5	69.5	0.0	69.5	0.0	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>	<u>0.0</u>
WATER SYSTEM TOTAL	1730.5	1768.5	38.0	1771.5	3.0	3.0
WASTEWATER	<u>288.5</u>	<u>287.5</u>	<u>-1.0</u>	<u>287.5</u>	<u>0.0</u>	<u>0.0</u>
DISTRICT-WIDE TOTAL IN FTES⁽³⁾	2019.0	2056.0	37.0	2059.0	3.0	3.0

Notes⁽¹⁾,⁽²⁾,⁽³⁾ - See page 2

EXHIBIT "A"
SUMMARY OF STAFF CHANGES
 (June 9, 2015)

TOTAL POSITIONS AUTHORIZED BY TYPE OF STATUS	FY16	FY16	FY17	FY17
	Positions	Net Change	Positions	Net Change
Full-Time	1970	27	1971	1
Temporary	59	2	59	0
Part-Time	17	0	17	0
Intermittent	4	0	4	0
Temporary Construction and Limited-Term	45	9	47	2
DISTRICT-WIDE TOTAL IN POSITIONS⁽³⁾	2095	38	2098	3

Notes to Exhibit A:

- (1) Amended staffing applies mid-year Board actions, changes to the FY15 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"
FY16
POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING
(June 9, 2015)

Customer and Community Services

ORG	FTE Change	From	To	Monthly Salary Range	Representation Change							Explanation	
					2019	444	21	39	MC	NR/ Exempt			
314	1.0	None	1.0 LT Associate Civil Engineer	76	1.0								Needed staffing to fulfill Automated Meter Reading Infrastructure (AMI) position in Water Conservation Master Plan implementation includes program management, information technology, product research and water demand analyses focused on water loss control, AMI strategic plan and complex commercial audits.
314/ 871	None	2.0 Water Conservation Representative	2.0 Water Conservation Representative / LT Water Conservation Representative	64	X								Needed for advance drought actions
325	1.0	None	1.0 New Business Representative I/II / LT New Business Representative I/II	62	1.0								Support needed during strong economic time and development and potential on-going projected work need.
338/ 873	None	1.0 Field Service Representative I/II	1.0 Field Service Representative I/II / LT Field Service Representative I/II	57	X								
871	1.0	None	1.0 LT Administrative Clerk	49	1.0								Needed for advance drought actions
871	2.0	None	2.0 LT Water Conservation Technician	57	2.0								
872	6.0	None	6.0 LT Customer Service Representative I	43	6.0								
873	1.0	None	1.0 LT Field Service Representative I	53	1.0								Needed for advance drought action. Limited Term position. (Positions to be funded 9 months only in a Fiscal Year 2016)

EXHIBIT "B1"
FY16
POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING
(June 9, 2015)

Engineering

ORG	FTE Change	From	To	Monthly Salary Range	Representation Change						Explanation	
					2019	444	21	39	MC	NR/ Exempt		
534	-1.0	1.0 TC Associate Civil Engineer	None	76	-1.0							Mokelumne Aqueduct Interconnection Project Completion
534	1.0	None	1.0 Associate Civil Engineer	76	1.0							Large Diameter Pipeline and Aqueduct Replacement projects
535	-1.0	1.0 TC Associate Civil Engineer	None	76	-1.0							Mokelumne Aqueduct Interconnection Project Completion
535	1.0	None	1.0 Associate Civil Engineer	76	1.0							To support the 10 to 40 Pipeline Infrastructure Renewal Program
535	1.0	None	1.0 Sr. Pipeline Designer	71	1.0							To support the 10 to 40 Pipeline Infrastructure Renewal Program
555	1.0	None	1.0 Assistant Engineer / Jr. Engineer	72	1.0							Additional electrical engineering support needed on Pumping Plant Upgrades Program - Diablo Vista, Country Club, Schapiro, Road 24, Fay Hill, Encinal; and Reservoir Rehab Upgrades - Bacon, Mendocino, and Pearl; and Water Treatment Plant Upgrades projects
562	-1.0	1.0 TC Associate Civil Engineer	None	76	-1.0							Dam Safety Program
562	1.0	None	1.0 Associate Civil Engineer	76	1.0							
563	-1.0	1.0 Administrative Clerk	None	49	-1.0							Position no longer needed and has been vacant since 2007.
563	1.0	None	1.0 Sr. Administrative Clerk	55	1.0							To support the 10 to 40 Pipeline Infrastructure Renewal Program

EXHIBIT "B1"
FY16
POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING
(June 9, 2015)

Engineering

ORG	FTE Change	From	To	Monthly Salary Range	Representation Change						Explanation		
					2019	444	21	39	MC	NR/ Exempt			
572	-1.0	1.0 TC Sr. Construction Inspector / TC Assistant Engineer / TC Construction Inspector	None	72	-1.0								
572	1.0	None	1.0 Assistant Engineer / Jr. Engineer / Sr. Construction Inspector	72	1.0								Increase in baseline work needed and continued projected need.
572	1.0	None	1.0 Construction Inspector	67	1.0								To support the 10 to 40 Pipeline Infrastructure Renewal Program
573	-1.0	1.0 TC Assistant Engineer / Jr. Engineer / Sr. Construction Inspector / Construction Inspector / Survey Technician I/II / Chief of Party	None	72	-1.0								Increase in baseline work needed and continued projected need.
577	1.0	None	1.0 Assistant Engineer / Jr. Engineer / Sr. Construction Inspector	72	1.0								
575	-1.0	1.0 TC Construction Inspector / Assistant Engineer / Sr. Construction Inspector	None	72	-1.0								
575	1.0	None	1.0 Assistant Engineer / Jr. Engineer / Sr. Construction Inspector	72	1.0								Increase in baseline work needed and continued projected need.

EXHIBIT "B1"
FY16
POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING
(June 9, 2015)

Finance

		Representation Change									
ORG	FTE Change	From	To	Monthly Salary Range	2019	444	21	39	MC	NR/ Exempt	Explanation
230	None	1.0 Administrative Clerk	1.0 Administrative Clerk / Information Systems Support Analyst I/II	70	X						MMIS Project - for Vendor Management Lead; Fill only 6 mos in FY16.
230	None	1.0 Purchasing Contract Supervisor	1.0 Purchasing Contract Supervisor / LT Purchasing Contract Supervisor	74			X				MMIS Project - flex existing positions for Purchasing Lead; Fill only 6 mos in FY16.
230	None	1.0 Stores Supervisor	1.0 Stores Supervisor / LT Stores Supervisor	76			X				MMIS Project - flex existing positions for Inventory Lead; Fill only 6 mos in FY16.

Information Systems

		Representation Change									
ORG	FTE Change	From	To	Monthly Salary Range	2019	444	21	39	MC	NR/ Exempt	Explanation
252	-1.0	1.0 Computer Operations Supervisor	None	69			-1.0				Position no longer needed and has been vacant since 2006.
252	1.0	None	1.0 Sr. Systems Programmer	75	1.0						Staffing needed management of business network servers
252	1.0	None	1.0 Sr. Systems Programmer	75	1.0						Staffing needed for security of control systems

EXHIBIT "B1"
FY16
POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING
(June 9, 2015)

Office of the General Manager

ORG	FTE Change	From	To	Monthly Salary Range	Representation Change						Explanation	
					2019	444	21	39	MC	NR/ Exempt		
116	-1.0	1.0 Administrative Clerk	None	49	-1.0							Workload efficiencies. Position is no longer needed and has been vacant since 2012.

Maintenance & Construction

ORG	FTE Change	From	To	Monthly Salary Range	Representation Change						Explanation	
					2019	444	21	39	MC	NR/ Exempt		
736/ 741	None	1.0 Sr. Administrative Clerk	1.0 Sr. Administrative Clerk / Administrative Clerk / LT Sr. Administrative Clerk / LT Administrative Clerk	55	X							Admin Support for 10 to 40 Pipeline Infrastructure Renewal project
741	-1.0	1.0 TC Pipeline Welder I/II/III	None	61		-1.0						Position was supporting East Bayshore Recycled Water Project; hasn't been filled since 2005.
741	5.0	None	5.0 TC Water Distribution Plumber I	51		5.0						Water Distribution Plumber TC Labor Pool – 10 to 40
746	1.0	None	1.0 Administrative Clerk	49	1.0							
746	2.0	None	2.0 General Pipe Supervisor	72			2.0					
746	2.0	None	2.0 Heavy Transport Operator	58		2.0						
746	4.0	None	4.0 Heavy Equipment Operator	60		4.0						2 Add'l Pipeline Crews – Infrastructure Renewal Project
746	3.0	None	3.0 TC Water Distribution Plumber I	51		3.0						
746	3.0	None	3.0 Water Distribution Plumber I/II/III	59		3.0						

EXHIBIT "B1"
FY16
POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING
(June 9, 2015)

Water Operations

ORG	FTE Change	From	To	Monthly Salary Range	Representation Change						Explanation	
					2019	444	21	39	MC	NR/ Exempt		
762	None	1.0 Water System Inspector II	1.0 Treatment Plant Specialist	62	-1.0	1.0						More appropriate classification based on projected work. Current Water System Inspector II position is vacant.
772	1.0	None	1.0 Associate Electrical Engineer / Associate Control System Engineer	76	1.0							Add to implement the Honeywell Experion DCS system which will be implemented at all the water treatment plants. Work at Orinda WTP is underway and the system at Walnut Creek WTP will be upgraded. The DCS systems will require additional staff resources to maintain.

EXHIBIT "B1"
FY16
POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING
(June 9, 2015)

Wastewater

ORG	FTE Change	From	To	Monthly Salary Range	Representation Change									
					2019	444	21	39	MC	NR/ Exempt	Explanation			
900	-1.0	1.0 Administrative Services Supervisor	None	61			-1.0							Position is no longer needed and has been vacant since 2009
911	1.0	None	2.0 Temp Gardener I/II	52						1.0				Utilize resource in a manner consistent with the seasonal nature of the work.
926	-1.0	1.0 TC Sr. Civil Engineering	None	82			-1.0							Work on joint wastewater implementation study for the Richmond wastewater services project has been completed. This TC position is to be deleted in FY16
927	-1.0	1.0 TC Sr. Construction Inspector	None	71			-1.0							Position is no longer needed and has been vacant since 2012.
942	1.0	None	1.0 Wastewater Control Inspector I/II	62			1.0							Position need to replace loaned position (returned to Water Conservation) to continue performing work. Position was originally loaned to support expansion of the Regional Private Sewer lateral program to Albany and Alameda, a 20% increase in workload.
Total FY16 Representation Change					20.0	20.0	-2.0	0.0	0.0	0.0	0.0	0.0	0.0	

Notes to Exhibit B1:

1. "X" in the "Representation Change" column indicates no change

EXHIBIT "B2"
FY17
POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING
(June 9, 2015)

Customer and Community Services

		Representation Change									
ORG	FTE Change	From	To	Monthly Salary Range	2019	444	21	39	MC	NR/ Exempt	Explanation
314	1.0	None	1.0 LT Water Conservation Representative	64	1.0						
314	1.0	None	1.0 LT Water Conservation Technician	57	1.0						Needed for advance drought actions

Water Operations

		Representation Change									
ORG	FTE Change	From	To	Monthly Salary Range	2019	444	21	39	MC	NR/ Exempt	Explanation
772	1.0	None	1.0 Associate Electrical Engineer / Associate Control Systems Engineer	76	1.0						Add Associate Electrical Engineer flexed with an Associate Control System Engineer to implement and maintain cyber security for the industrial control systems (ICS) (such as SCADA) identified as part of the current cyber security vulnerability assessment.
Total FY17 Representation Change					3.0	0.0	0.0	0.0	0.0	0.0	

EXHIBIT "C"
FY16 – FY17
CLASSIFICATION PLAN CHANGES
(June 9, 2015)

CLASSIFICATION ADDITIONS

Class Code	Class Title	Monthly Salary Range	Rep. Unit	Explanation
4717	Risk Management Analyst	R 73 (\$8,475 - \$9,811)	21	New classification more appropriately reflect the assigned duties of the position
4719	Business Development Representative	R 69 (\$7,679 - \$8,899)	21	New classification more appropriately reflect the assigned duties of the position
4615	Human Resources Regulatory Coordinator	MSP 77 (\$8,331 - \$12,033)	MGR	New classification more appropriately reflect the assigned duties of the position

CLASSIFICATION DELETIONS

Class Code	Class Title	Monthly Salary Range	Rep. Unit	Explanation
4638	Audio/Visual Coordinator	R 74 (\$8,688 - \$10,057)	21	Classification is obsolete and has been not been used since 1995
4623	Classification and Pay Administrator	R 77 (\$8,331 - \$12,033)	CNF	Classification is obsolete and has been vacant since 2011
4172	Cost Estimator	R 76 (\$8,694 - \$10,567)	2019	Classification is obsolete and has been not been used since 2002
2589	Employee Transportation Coordinator	R 59 (\$5,713 - \$6,945)	2019	Classification has never been used/filled
4639	Organizational Development Specialist	MSP 81 (\$9,191-13,276)	MGR	Classification has never been used/filled

OTHER CLASSIFICATION PLAN CHANGES

Class Code	Class Title	FROM		TO		Rep Unit	Explanation
		Salary Range	Class Title	Salary Range	Class Title		
1590	Affirmative Action Officer	MSP 77 (\$8,331 - \$12,033)	Diversity and Inclusion Officer	MSP 77 (\$8,112 - \$12,033)		O&A	Title more accurately reflects the duties of the class
4865	Senior HRIS Analyst	R 74 (\$8,688 - \$10,057)	Senior HRIS Analyst	MSP 73 (\$7,545 - \$10,899)		CNF	Moving to Management Salary Plan (MSP) range 73 from Step range 74. Compensation needs to be changed as the duties of the position have evolved such that MSP range is more appropriate to the class

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FINANCIAL POLICIES

Board of Directors' Financial Policies

This section includes four policies adopted by the District's Board of Directors to govern fiscal matters. The policies are listed below and reproduced on the following pages.

Cash Reserves and Debt Management

Adopted July 2005

Financial Planning and Budgetary Control

Adopted April 2009

Investment Policy

Adopted April 2015

Establishing Water Rates

Adopted April 2012



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

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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

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SUPERSEDES

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INVESTMENT POLICY

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 (JPAs) 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.

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.

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.

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 Financial Industry Regulatory Authority.

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 ControlOffice 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.

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
Reaffirmed by Motion 056-14, March 25, 2014
Approved by Resolution 34027-15, April 28, 2015

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Policy 4.13

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SUPERSEDES 27 APR 10

ESTABLISHING WATER RATES

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.

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.

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 and Key Performance Indicators

Strategic Plan

The District's Board of Directors adopts the Strategic Plan every two years. The plan outlines the goals and objectives for the following two fiscal years, and establishes a set of Key Performance Indicators (KPIs) and targets. The District's current Strategic Plan was adopted by the Board of Directors in July 2014 and was the basis for the decisions made in developing the FY16 and FY17 biennial budget. The July 2014 Plan will be the basis for reporting on the progress made in meeting the KPI targets in FY15 and FY16. The full version of the Strategic Plan is included in this appendix.

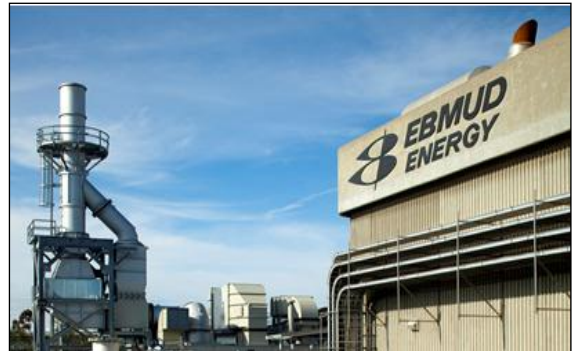
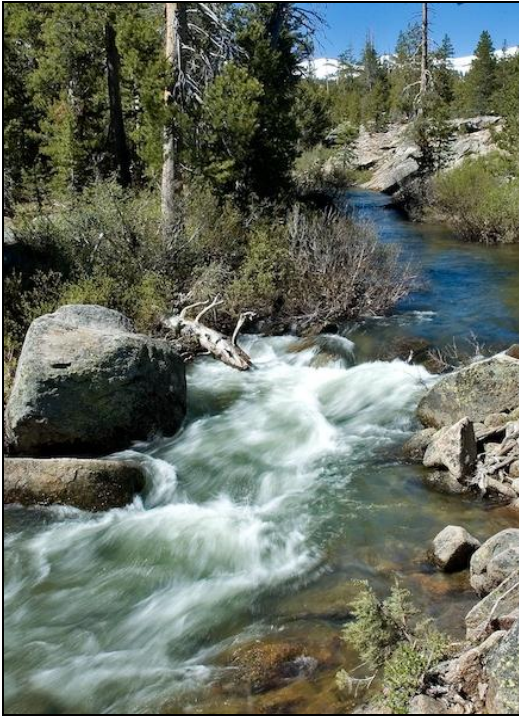
Key Performance Indicators

The District measures its progress in meeting the KPI targets each fiscal year. Due to the timing of the development cycles for the Strategic Plan and the Biennial Budget, the current KPI report is for fiscal year 2014. A five-year summary of the KPI performance for each target is shown in this appendix. The full version of the Annual Key Performance Indicators Report is available at the below web address.

http://www.ebmud.com/files/1614/3172/1416/092314_finance_staff_reports.pdf

Strategic Plan

July 2014



***East Bay Municipal Utility District
Oakland, California***



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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 ten years since the first Strategic Plan was published. Since that time we have developed and updated action 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 sixth publication of our Strategic Plan builds on the efforts of the first five plans. Most of our goals and many of the strategies 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, action plans and the Capital Improvement 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, action, 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

The plan includes 56 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 FY13, as well as performance targets for FY14 and FY15. 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 2013 and included information on targets met and not met in FY13.

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 processes involving the public
 - Provide a healthy work environment
 - Promote diversity and equality in personnel matters and contracting
 - Promote environmental responsibility and sustainability
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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.

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.
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- **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, addressing environmental, social, and financial concerns.

- **Long Term Financial Stability**

Manage the District's finances to meet funding needs and maintain reasonable water and wastewater rates.

- **Customer Service**

Understand and be responsive to customer expectations for service.

- **Workforce Planning and Development**

Create an environment that attracts, retains, and engages a high performing diverse workforce in support of the District's mission.

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 by the year 2040 to meet annual customer demands while limiting rationing to a maximum of 15% during droughts.



Mokelumne River, EBMUD's primary water source.

Objectives:

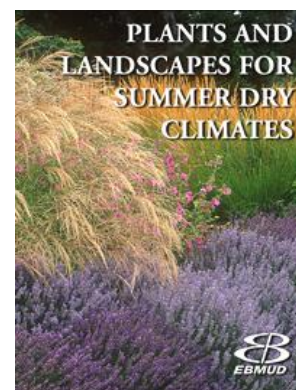
- ◆ Secure water rights and entitlements that maximize benefits to District customers.
- ◆ Prioritize water transfers, conjunctive use, desalination, and other water supply opportunities and cost-effectively improve reliability while providing the best available water quality.
- ◆ Diversify dry year water supply through regional partnerships.
- ◆ Update Urban Water Master Plans which assess 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 regional and statewide planning processes.

Strategy 2

Continue the District's conservation program to reduce potable water demand and build on past success to achieve 62 MGD of conservation by the year 2040.

Objectives:

- ◆ Implement a comprehensive water conservation education and marketing plan for customers.
- ◆ Offer a range of flexible water conservation services and incentive programs designed to change customers' habits and hardware that lead to water savings.



EBMUD's award winning plant book

- ◆ Identify, encourage, and create partnerships to promote, benchmark, research, and test new water efficiency technologies, applications, and measurement methodologies.
- ◆ Evaluate and prioritize water conservation measures to achieve demand reduction most cost-effectively.
- ◆ Pursue 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 20 MGD from recycling projects by the year 2040.

Objectives:

- ◆ Maximize use of recycled water projects while achieving public health regulations and customer contract requirements.
- ◆ Invest in innovative technology to improve cost-effectiveness.
- ◆ Identify, evaluate and implement new opportunities for recycled water.



East Bayshore Recycled Water Project supplies water for landscape, industrial, and commercial use.

Strategy 4

Maintain an updated Climate Change Monitoring and Response Plan to inform the District’s planning efforts for future water supply, water quality and infrastructure and support sound water and wastewater infrastructure investment decisions.

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 infrastructure vulnerabilities and make cost-effective infrastructure investments adaptable to a range of foreseeable conditions (i.e. “no regrets” investments).
- ◆ Educate the public and policymakers on District and industry climate change concerns and interests, and advocate for reasonable legislation and regulatory changes.



Pardee Reservoir during 1977 drought.

Long Term Water Supply Key Performance Indicators

Key Performance Indicator	FY13 Performance	FY13 Target Met?	FY14 Target	FY15 Target
Supplemental Supply				
●32 MGD of supplemental dry year supply by 2040	POA with CCWD approved by EBMUD Board	++		
			Develop an agreement with Placer County Water Agency to implement a long - term water transfer	Proceed with permitting and environmental review processes for Placer County Water Agency/ EBMUD long term water transfer
	Agreements with Yuba County Water Agency executed to implement the Freeport Point of Rediversion Project	++	Complete the Yuba Accord-Freeport Point of Re-diversion Project	
	Executed BAWSCA MOU to develop a pilot water transfer plan	++	Complete Phase II water transfer agreement with BAWSCA to complete permits and CEQA, and related agreements	Execute BAWSCA water transfer (if Freeport operated)
●Sufficient supplies to hold rationing to a maximum of 15% during the next 3 years, based on projected demand and drought planning sequence	East Bay Plain Groundwater Management Plan adopted by EBMUD Board	++		
	Regional Desalination system modeling work completed; final report anticipated by Jan 2014	++		
	Need for Water and Implementation Work Group assembled to assist in project prioritizing; securing water transfers assigned top priority thru FY16	++		
	Concept for SJC-EBMUD banking project completed; Memo of Agreement for demonstration project in development	++	Execute MOU with San Joaquin County to develop groundwater banking demonstration project	Execute an implementation agreement for groundwater banking demonstration project with San Joaquin County

Key Performance Indicator	FY13 Performance	FY13 Target Met?	FY14 Target	FY15 Target
Water Conservation				
•62 MGD savings from conservation programs/ natural replacement by 2040 (baseline yr. 1995)	Exceeded 1.2MGD savings (mainly thru natural savings)	++	1.2MGD avg annual conservation savings	1.2MGD avg annual conservation savings
	Ahead of schedule to meet per capita reductions by 2018 and 2020	++	18% reduction in per capita demand by 2018; 20% by 2020	18% reduction in per capita demand by 2018; 20% by 2020
	FY13 WCMP measures fully implemented	++	Implement Water Conservation Master Plan	
	Filed 2011-12 BMP reports with MOU	++	Achieve MOU Best Management Practice compliance	Achieve MOU Best Management Practice compliance
Water Recycling				
•20 MGD of recycled water capacity by 2040	East Bayshore I-80 pipeline construction completed	++	Complete design of East Bayshore Emeryville/ Christie pipeline	Begin construction of East Bayshore Emeryville/ Christie pipeline pending final funding agreement with State
•Continue East Bayshore Phase 1A customer connections/retrofits	East Bayshore connections continue in FY13 with Pixar, Oakland Museum, Caltrans	++	Complete East Bayshore on-site treatment study	Conduct East Bayshore Expansion Study
•Coordinate with City of Albany to install a recycled water pipeline in their Buchanan bike trail	Completed Buchanan recycled water pipeline installation in Albany	++		
			Initiate study of alternatives at North Richmond, RARE, or West County to improve water quality	Complete study of alternatives at North Richmond, RARE, or West County to improve water quality
•Coordinate with USACE to award a contract for San Ramon Valle Phase 2A (Bishop Ranch)	Bishop Ranch project did not move forward due to tight schedule prior to City's street paving, unsuccessful negotiation between USACE and contractor	--	Coordinate with USACE to determine next opportunity to expand San Ramon Valley Recycled Water Project if funding is available	Continue to expand San Ramon Valley Recycled Water Project including Bishop Ranch if funding is available

Key Performance Indicator	FY13 Performance	FY13 Target Met?	FY14 Target	FY15 Target
Climate Change				
<ul style="list-style-type: none"> Update the Climate Change Monitoring and Response Plan. Explore approaches for how to adapt to potential future conditions and identify "no regrets" infrastructure investment decisions 	n/a	#	Update the Climate Change Monitoring & Response Plan to account for new information when the Intergovernmental Panel releases its Fifth Assessment Working Group 1 and II reports.	Update the Climate Change Monitoring and Response Plan to account for new information when the Intergovernmental Panel releases its Fifth Assessment Working Group III report. Complete climate change assessment using the EPA's Climate Resilience Evaluation and Assessment Tool

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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:

- ◆ Use the Watershed Master Plans as the foundation for standards and protocols to protect natural resources and ensure drinking water quality.
- ◆ Perform water quality monitoring and data assessment to adaptively manage the watersheds.
- ◆ 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.
- ◆ Protect the Mokelumne River salmonid fishery through coordinated reservoir and river operations, habitat enhancement projects, effective and efficient hatchery operations, and a robust science program.

Strategy 2

Operate and maintain District facilities to surpass federal and state drinking water regulations.

Objectives:

- ◆ Establish and meet District water quality goals to exceed customers' expectations.
- ◆ Promote drinking water quality as a key principle in long-term infrastructure and water supply planning.
- ◆ 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.
- ◆ Develop collaborative relationships within the professional community to further regulatory and legislative initiatives and advocate for funding of needed research.

Strategy 3

Operate and maintain District facilities to anticipate and meet all water discharge, air emission, and land disposal requirements to protect and enhance the environment.

Objectives:

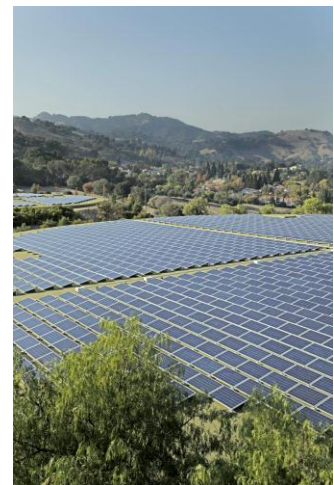
- 💧 Meet or surpass all water discharge, air, and land requirements.
- 💧 Ensure that management of biosolids is cost-effective and environmentally safe.
- 💧 Advocate for funding of research needs.
- 💧 Promote environmental regulations that are based on watershed approaches and result in achieving water quality objectives through the most cost-effective and sustainable means.
- 💧 Address odor concerns from the District's wastewater facilities by conducting timely odor investigations, implementing capital improvements, and optimizing operating and maintenance practices.

Strategy 4

Minimize impacts to the environment by reducing, recycling, reusing and reclaiming waste, and by conserving natural resources.

Objectives:

- 💧 Increase the cost effective use of renewable energy sources.
- 💧 Identify and implement energy efficiency projects.
- 💧 Reduce the District's greenhouse gas emissions.
- 💧 Focus on reduction of pollutants at the source.
- 💧 Identify and implement waste reduction and recycling programs.



Solar panels installed on District reservoir.

Strategy 5**Ensure protection and stewardship of San Francisco Bay.****Objectives:**

- Proactively develop and implement regional Pollution Prevention activities that will further reduce pollutant discharges to San Francisco Bay.
- Support collaborative efforts and programs that develop science-based watershed solutions to address nutrients in the San Francisco Bay.
- In collaboration with the satellite collection system communities and the regulators, implement an Inflow and Infiltration Control Program that will, over the long-term, meet standards for wet weather facilities.

**Strategy 6****Operate Pardee and Camanche Reservoirs jointly as an integrated system to achieve multiple objectives including municipal water supply, stream flow regulation, environmental protection, flood control, and releases for downstream water rights holders.****Objectives:**

- Balance the competing objectives and requirements by planning diversions and releases from the combined storage in the reservoirs.
- Work collaboratively with stakeholders to adaptively operate Pardee and Camanche Reservoirs together to manage storage and downstream releases.

Water Quality and Environmental Protection Key Performance Indicators

Key Performance Indicator	FY13 Performance	FY13 Target Met?	FY14 Target	FY15 Target
Watershed Protection				
●Mokelumne River fall-run chinook salmon escapement (long term average)	6,997	++	4,514	4,514
Compliance with Drinking Water Regulations				
●% of water quality goals met	96%	+	100%	100%
●% of water quality regulations met	100%	++	100%	100%
Compliance with Wastewater Regulations				
●Number of NPDES and Waste Discharge Permit Notices of violation received	0	++	0	0
●% reduction in average odor complaints near the MWWTP	n/a - new indicator		n/a - new indicator	10% reduction
Reduce, Recycle, Reuse, Reclaim				
●Reduce indirect emissions to zero by 2040 and reduce direct emissions by 50% by 2040 compared to the 2000 baseline	n/a - new indicator		n/a - new indicator	40,198 MT CO2
●% of Main Wastewater Treatment Plant electric power demand met by on-site generation with renewable resources	n/a - new indicator		n/a - new indicator	100%
Protect SF Bay				
●Implement Private Sewer Lateral Program to reduce wet weather flows and achieve a high compliance rate at point of sales	n/a - new indicator		n/a - new indicator	90%
Operate Pardee and Camanche				
●Meet JSA Mokelumne River minimum flow releases 100% of the time	100%	++	100%	100%

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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, addressing environmental, social, and financial concerns.

Strategy 1

Maintain coordinated master plans for all facilities that reflect asset condition and performance and address service requirements as well as potential threats, challenges, and opportunities.

Objectives:

- ◆ Maintain and update a master plan for each facility or group of facilities incorporating new information.
- ◆ Coordinate master plans and capital projects to optimize investments and maximize reliability, safety, flexibility, and overall efficiency of the water and wastewater system.
- ◆ Periodically inspect and evaluate facilities to support capital and maintenance planning.
- ◆ Consider risk, 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 evaluate for implementation sustainable practices as embodied in Leadership in Energy and Environmental Design (LEED).

Strategy 2

Meet operational needs and reliability goals by implementing effective maintenance practices.

Objectives:

- ◆ Define and document operational needs and reliability goals to inform maintenance decision making.
- ◆ Expand and refine the use of cost-effective methods and practices to determine the need for maintenance or replacement.
- ◆ Implement preventive, predictive, and corrective maintenance programs that promote service reliability and are based on Reliability Centered Maintenance principles.
- ◆ Develop and maintain accurate and accessible asset management information.



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.



Mokelumne Aqueduct Interconnection
Pipeline Project

Long Term Infrastructure Investment Key Performance Indicators

Key Performance Indicator	FY13 Performance	FY13 Target Met?	FY14 Target	FY15 Target
Effective Management of Infrastructure				
●Number of water system pipeline breaks per 100 miles of pipe	19.3	++	≤20	≤20
●Availability of wastewater assets	0.97	++	.90 - 1.0	.90 - 1.0
●% of water system corrective work orders that are high priority	n/a - new indicator		n/a - new indicator	≤10%
●Critical meter repair backlog	n/a - new indicator		n/a - new indicator	<5,000
●% of water system valves exercised	n/a - new indicator		n/a - new indicator	10%
●% of asset maintenance activities accurately recorded for analysis	n/a - new indicator		n/a - new indicator	100% of data collected for work tracked by AIM and Maximo
●% of meter repair orders completed in 60 days	n/a - new indicator		n/a - new indicator	90%
Capital Budget Priorities				
●Miles of distribution pipe replaced	11.1	++	10	10
●Design errors and omission change orders on construction contracts	2.20%	++	<3%	<3%
●Rehabilitate steel water tanks	3	++	3	3
●% of interceptor assets repaired that have major defects	n/a - new indicator		n/a - new indicator	15%
●Pumping plants rehabilitated	n/a - new indicator		n/a - new indicator	3

n/a = not available

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Long Term Financial Stability

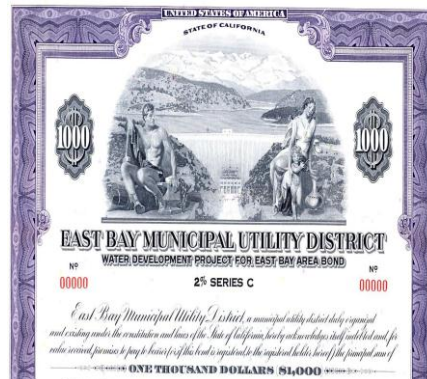
Goal: Manage the District's finances to meet funding needs and maintain reasonable water and wastewater rates.

Strategy 1

Develop a Long-Range Financing Plan that sets forth the long-term funding needs of the District.

Objectives:

- ◆ Develop and maintain financial planning models to include long-term forecasts of operating and capital expenditures, revenue requirements and rates and charges.
- ◆ Ensure the long-term financial plan is based on reasonable, conservative assumptions and accounts for uncertainties.
- ◆ Ensure the long-term plan maintains the District's good standing in the credit markets to provide ready access to cost-effective capital financing.
- ◆ Evaluate the District's capital financing and debt service coverage policies to optimize cash funding of capital investments.
- ◆ Evaluate the District's cash reserve policies to consider optimal uses and levels of reserves, including alternative strategies for funding drought-related costs.



Strategy 2

Implement water and wastewater rates and charges that are legal, fair, and equitable.

Objectives:

- ◆ Plan for rate increases that are steady, predictable, and based on our strategic needs.
- ◆ Mitigate increases in rates and charges by optimizing use of non-rate revenue and pursue opportunities for cost efficiencies and new technologies.
- ◆ Establish rates and charges based on cost of service principles.
- ◆ Periodically conduct third-party cost of service studies.

Strategy 3**Ensure integrity, accountability and transparency in financial management.****Objectives:**

- Develop operating and capital budgets aligned with the strategic plan.
- Manage operating and capital expenditures within their respective budgets.
- Develop and maintain accurate, timely, and meaningful financial and operational data.
- Enhance the usability, clarity and accessibility of District financial information.
- Maintain and regularly evaluate internal financial controls.
- Conduct regular internal and external financial audits.
- Promote diversity and equity in contracting, consistent with state and federal laws.

Strategy 4**Implement new technologies that improve the efficiency and effectiveness of business processes.****Objectives:**

- Monitor technology markets for changes and advances to maximize benefits and minimize negative impacts on District technology investments.
- Develop and apply a consistent approach for technology evaluation, planning and implementation that considers and responds to the needs and potential impacts to customers, employees, and other stakeholders.
- Structure and manage data and applications to facilitate sharing of high quality, consistent data by all users on various platforms, including mobile.
- Proactively ensure adequate security and meet all regulatory requirements.



Long Term Financial Stability Key Performance Indicators

Key Performance Indicator	FY13 Performance	FY13 Target Met?	FY14 Target	FY15 Target
Sufficient Revenue/Fair Rates & Charges				
● <i>Rates as compared to other Bay Area agencies</i>	Water below median-12 other agencies surveyed	++	At or below median	At or below median
	Wastewater above median-15 other agencies surveyed	--	At or below median	At or below median
Financial Position				
● <i>% of capital program funded from debt</i>	62% Water 78% Wastewater	++ --	≤65%	≤65%
● <i>Debt service coverage</i>	1.71 Water 1.59 Wastewater	++ ++	≥1.6 times coverage ≥1.54 times coverage	≥1.6 times coverage ≥1.54 times coverage
● <i>Actual reserves as % of target</i>	100% Water 100% Wastewater	++ ++	≥100%	≥100%
Integrity, Accountability and Transparency				
● <i>% of planned audits completed</i>	75%	--	100%	100%
● <i>% of audit findings resolved within 90 days</i>	n/a	#	100%	100%
Budget Performance				
● <i>Operating expenditures as a percentage of operating budget</i>	88% Water 95% Wastewater	++ ++	≤100%	≤100%
● <i>Capital expenditures as a percentage of capital budgeted cash flow</i>	102% Water 105% Wastewater	+ +	≤100%	≤100%

n/a = not available

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Customer Service

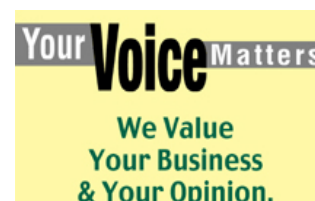
Goal: Understand and be responsive to customer expectations for service.

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

Enhance customer experience by investing in business process changes and technologies.

Objectives:

- ◆ Invest in cost-effective technologies that help customers use water wisely and promote cost-effectiveness in service delivery.
- ◆ Implement initiatives that meet the needs and expectations of a diverse customer base.
- ◆ Invest in cost-effective technologies that improve timely customer access to information and services.
- ◆ 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	FY13 Performance	FY13 Target Met?	FY14 Target	FY15 Target
Customer Satisfaction				
●% of customers rating "Overall Job" as "Good" or "Excellent"	n/a - overall customer surveys not conducted in FY13	#	70%	70%
●Average speed of answer to calls coming into the Contact Center	n/a - new indicator		≤60 seconds	≤60 seconds
●Contact Center service level: % of calls answered within the target of ≤60 seconds	n/a - new indicator		80%	80%
●Abandonment rate	n/a - new indicator		n/a - new indicator	3%
●% of Customers rating the District's field response as "Good" or "Excellent"	93%	++	90%	90%
●% of time customer dependent systems are available	99.9%	++	99.9%	99.9%
●Unplanned water service interruptions per 1,000 active accounts				
<4 hrs.	6.1	++	≤10	≤10
4-12 hrs.	4.2	++	≤5	≤5
>12 hrs.	0.7	++	≤2	≤2
●Electronic bill presentment & payment enhancements	n/a - new indicator		Issue RFP	Implement testing by December 2015
Emergency Preparedness				
●Update the District's Emergency Operation Plan every two years and conduct and EOT exercise annually	100%	++	100%	100%
●Update all Business Continuity plans every two years and conduct an exercise for each annually	100% Plans 100% Exercises	++	100%	100% 100%
●Draft and/or update 2-3 event-specific emergency communication plans annually	n/a - new indicator		100%	100%

n/a = not available

++Target met +Target not met but on track --Target not met #Target/Data not available ■Performance Measure Only

Workforce Planning and Development

Goal: Create an environment that attracts, retains and engages a high performing diverse workforce in support of the District's mission.

Strategy 1

Develop robust workforce plans to determine current and future needs, identify gaps that may exist and create and implement a plan to close the gaps.

Objectives:

- ◆ Regularly evaluate advances in technology that afford opportunities for improved efficiency and effectiveness, and changing business needs.
- ◆ Analyze workforce plans to ensure the right people with the right skills are in the right jobs.



Strategy 2

Enhance the District's ability to recruit a highly qualified, diverse staff.

Objectives:

- ◆ Promote EBMUD's industry reputation as an employer of choice.
- ◆ Engage our employees as ambassadors to work within our communities (peer, industry, education) to educate and share knowledge about the District's culture, career opportunities and work.
- ◆ 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:

- ◆ Offer District career opportunities and support for employees to expand their skills to meet emerging needs.
- ◆ Maximize opportunities to "grow our own" in anticipation of labor market scarcity and increased competition for talent.
- ◆ Foster accountability and encourage personal professional development for all employees.

- Preserve intellectual capital (knowledge retention) at all levels of the organization.
- Implement organizational practices that value employee contributions and encourage learning and networking.
- Implement organization practices that promote and value employee safety and employee well-being.
- Engage employees and labor unions in improving the work of the District.

Strategy 4

Foster a performance culture that includes performance measures recognizing employee's contributions.

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.



Workforce Planning and Development Key Performance Indicators

Key Performance Indicator	FY13 Performance	FY13 Target Met?	FY14 Target	FY15 Target
Recruitment				
●% of exams resulting in hiring Lists within 60 days	74%	++	75%	75%
●% of District eligibility lists with AA hire opportunities	49%	■	■	■
Employee Development				
●% of competing Leadership Program graduates who place on applicable promotional lists	81%	++	75%	75%
●Annual average training hours per employee	31	++	30	30
Performance Planning & Appraisal				
●% of performance plans completed on time	98.2%	+	100%	100%
●% of performance appraisals completed on time	98.9%	+	100%	100%
Employee Wellness				
●Employee injury & illness lost time incident rate	2.1	++	≤3.0	≤3.0
●Annually implement outreach campaigns on four wellness ("Well Being") themes	n/a - new indicator	#	■	■

n/a = not available

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East Bay Municipal Utility District

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KEY PERFORMANCE INDICATOR – SUMMARY	FY10	FY11	FY12	FY13	FY14
Long Term Water Supply					
<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 & 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>	++	++	+	+	+
Water Quality and Environmental Protection					
<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>	#	+	+	++	#
Long Term Infrastructure Investment					
<i>Number of Master Plans Completed or Updated</i>	+	+	+	--	++
<i>Unplanned Water Service Interruptions per 1,000 Active Accounts</i>					
○ <4 hours	++	++	++	++	++
○ 4-12 hours	++	++	++	++	++
○ >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>	++	++	++	++	#

++ Target met + Target not met, but on track -- Target not met # Target/Data not available ■ = Performance measure only

Long Term Financial Stability					
<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>	--	+	++	+	+
<i>Wastewater Capital Expenditures as a Percentage of Budgeted Cash Flow</i>	--	--	--	+	+
Customer Service					
<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>	--	--	--	++	++
Workforce Planning and Development					
<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 & Illness Incidence Rate</i>	++	++	++	++	++
<i>Employee Turnover Rate</i>	■	■	■	■	■
++ Target met + Target not met, but on track -- Target not met # Target/Data not available ■ = Performance measure only					

GLOSSARY

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Glossary of Terms

Accrual Basis	Income and expense accounting method that records income items when they are earned and records deductions when expenses are incurred.
Administration of Capital	Government-Wide and Department operations 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.
Adopted Budget	A balanced financial plan for a specific period of time authorized by the Board of Directors for expenditure or obligation.
Amended Budget	An adopted balanced financial plan reflecting budgetary transfers that occurred since adoption of the budget. The total budget amount has to stay within the Board approved appropriation limit.
Appointment Type	Indicates the character of a position. The following are the appointment types: regular, civil service exempt, intermittent, temporary, part-time, limited term, and temporary construction.
Authorized Position	A position created and established by the Board of Directors.
AWWA	American Water Works Association
Board of Directors	The seven public officials elected to represent the wards within the District service area. Also known as “the Board”.
Bonds	Borrowed monies allocated to pay for capital projects. Bonds are sold to investors, and proceeds of the sale are used to pay for capital expenditures. 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.
Build America Bonds (BABs)	Build America Bonds. A type of municipal bond created under the American Recovery and Reinvestment Act of 2009. These bonds are sold at a taxable rate rather than a lower tax-exempt rate, and the District receives cash rebates from the US Treasury to offset the higher interest cost.
CAFR	Comprehensive Annual Financial Report
Capital Appropriation	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.
Capital Budget	A financial plan for providing the purchase, construction or rehabilitation of fixed assets such as equipment, facilities, and systems.

Capital Cash Flow	Projected cash disbursements for capital projects for a given time period. The estimated capital cash flow is used to determine the amount of revenue required and the rate impacts, or the amount and timing of borrowings to meet the projected expenditure needs for a given time period.
Capital Expenditures	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.
Capital Improvement Program (CIP)	The Board approved set of capital 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.
Capital Labor	The portion of District labor costs supporting the capital improvement program.
Capital Steering Committee (CSC)	Capital Steering Committee is responsible for the oversight of the CIP, which includes developing the biennial CIP recommendation to the General Manager.
CCF	One hundred cubic feet which equals 748 gallons or one unit.
CDHP	Consumer-driven Health Plan
Civil Service System	The system used for the selection, examination, employment, classification, advancement, suspension, and discharge of employees. Applies only to Regular and Intermittent employees or employees who have attained civil service status but are working in a position excluded from the civil service.
Commercial Paper	Short term financing for capital projects.
Consent Decree	An agreement or settlement to resolve a dispute between two parties.
Cost of Service Study	A cost of service study equitably assigns cost responsibility to customers through rates and charges developed as part of the study.
CSMFO	California Society of Municipal Finance Officers
Customer Information System (CIS)	The District's customer information system for billing customers, collecting revenue and recording account information.
CUWCC	California Urban Water Conservation Council

Debt Funded Capital	Expenditures for capital projects which are funded by bonds, state loans, or other debt.
Debt Service	Expenditures for interest and principal repayment on bonds or other debt.
Debt Service Coverage	The ratio of net revenues to debt service requirements, calculated in accordance with the District's bond documents. The District's policy is to maintain a debt coverage ratio of at least 1.6.
Department	A major organizational unit with overall managerial responsibility for functional programs of the District.
DERWA	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.
Distribution System	Water treatment plants, storage reservoirs, pumping plants, pipelines, and appurtenances that treat and transmit water to customers.
Division	A major organizational unit of a Department. Most departments have several divisions, each providing different services.
EBMUD	East Bay Municipal Utility District. A publicly owned utility formed in 1923 under the Municipal Utility District Act to provide water service, and in 1944 wastewater service in portions of Alameda and Contra Costa Counties. Also referred to as the District.
Encumbrance	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 by the recording of an invoice or reduction of the purchase order outstanding balance.
Enterprise Fund	A type of proprietary fund in which a user charge, rather than taxes, is charged to external users for goods or services, and costs are recovered.
Expenditure	The payment of an obligation from the District's cash amounts.
Expenditure Category	There are three types of operating expenditure categories: labor costs, contract services, and all other costs or operation/maintenance costs.
Fiduciary Fund	A fund 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.
Fiscal Year	The 12-month period that begins July 1 and ends June 30 of the following year.

Freeport Regional Water Project	A joint project with the Sacramento County Water Agency to secure a supplemental dry-year water supply.
FTE	The full-time equivalent is 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.
Fund	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).
Funded Position	Authorized position that the Board of Directors has appropriated funding for in a fiscal year.
GAAP	Generally accepted accounting principles.
GDP	Gallons Per Day.
General Fund Reserves	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.
General Manager (GM)	The chief executive officer of the District, hired by the Board of Directors.
GFOA	Government Finance Officers Association
HSA	Health Savings Account
Infrastructure	The tangible physical components that ensure delivery of reliable, high quality water and wastewater service now and in the future. Typical components are reservoirs, pumping plants, pipelines, and anaerobic digestors.
Intermittent Position	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.
Key Performance Indicators (KPI)	Indicators with specific targets that measure how well the District is progressing in achieving its goals under the Strategic Plan.
Limited Term (LT) Position	Limited Term positions are intended to augment regular District staff to accomplish extra work or other operational programs and activities of a limited duration for a maximum of 4 years. LT positions are not civil service positions.

MGD	Million Gallons per Day. (One MGD = 3.07 acre feet which is the volume of water required to cover 1 acre of land to a depth of 1 foot).
Modified Cash Flow Basis	Income and expense accounting method that records revenue when cash is received, and records expenses when cash is paid.
MUD Act	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.
MWWTP	Main Wastewater Treatment Plant. Also known as SD-1 (Special District No. 1).
NPDES	The California Regional Water Quality Control Board issues the District a National Pollution Discharge Elimination System permit which regulates the District's discharge of treated wastewater.
Operating Appropriation	Board approved funding for operating expenses. Unspent appropriations do not rollover to the next fiscal year.
Operating Budget	A financial plan to fund ongoing operations costs incurred to operate the District; excludes the building of capital assets which are included in the capital budget.
Operating Labor	The portion of the District's labor costs supporting the day-to-day operations.
Organization	A group of staffpeople organized into one unit or section working under a division or department. This is the lowest level at which operating budgets are developed.
PAYGO	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.
Part-Time Position	Part-time positions are restricted to working no more than 832 hours per year, and do not have civil service status.
PEPRA	California's Public Employees' Pension Reform Act
Program	Broadly defined group of related Reference Projects combined to facilitate planning and decision making.
Project or Reference Project	Project level identified in the CIP comprised of a discrete set of tasks that can be carried out independently, but require coordination with other projects to ensure overall program success. Appropriation requests and projected cash flows are authorized at this level.

Proposed Budget	The recommended balanced financial plan for a specific period of time submitted for consideration to the Board of Directors prior to the start of the Proposition 218 notification process.
Proprietary Fund	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.
Rate Funded Expenditures	Annual operations & maintenance expenses as well as the portion of the capital program that are funded from current revenues.
Rates	Charges for services to District customers that cover the costs of such services while allowing the District to remain reserve neutral.
Reference Project	See Project.
Regular Position	Regular positions are full-time, civil service positions.
Restricted Reserves	Monies that, by action of the Board, State Law or Bond Covenants, are required to be spent on specific programs or held for specified purposes.
Revenue	Monies the District receives from rates and charges, property taxes, sale of energy, and other sources. Revenues are used to pay expenditures.
Revenue Funded Capital	Expenditures on capital projects which are funded by revenues of the District rather than by debt, grants, or other funds.
SD-1	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).
Staffing Plan	The classes and positions that have been authorized by the Board of Directors and have been determined necessary to carry out District functions.
Strategic Plan	A document that provides a blueprint for how the District will respond to future challenges and changing priorities. It outlines specific goals, strategies and objectives to move the District to where it wants to be and establishes criteria to measure progress.
Strategy	Highest level of capital improvement activities, generally a grouping of related programs. Represents key capital objectives as defined in the Mission Statement, Strategic Plan, and Board of Directors policies and

directives.

System Capacity Charges (SCC)	Charges paid at the time of connection to compensate the District for construction of capital facilities that provide water service, such as source water reservoirs, transmission facilities, treatment facilities, and treated water storage facilities, to new connections.
Temporary Construction (TC) Position	Temporary Construction positions are of a limited and specified duration, typically associated with public works project and facilities. TC positions may extend for the life of the project.
Temporary Position	Non-civil service positions which are limited to a six month duration.
Ultimate Service Boundary	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.
Uniform System of Accounts for Water Utilities (USOA)	Guidelines established for the financial reporting of accounts, account structure and definitions, used to track revenue, expenses and asset and liability balances. The District uses the USOA established by the California Public Utilities Commission.
Wastewater Capacity Fee (WCF)	Charges paid at the time of connection to compensate the District for capital facilities that provide wastewater treatment, such as interceptors, primary and secondary treatment facilities and wet weather treatment plants, to new connections.
WSMP	The Water Supply Management Program is 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, 2015*



*East Bay Municipal Utility District
Oakland, California*

Photos on cover:

EBMUD crew replacing 16-inch diameter pipeline (left photo)

Camanche Reservoir, EBMUD's largest reservoir, is at its lowest level since 1989

SD-1 Wastewater Treatment Plant looking west (lower right)

**WATER AND WASTEWATER SYSTEM
SCHEDULES OF RATES AND CHARGES
AND FEES**

As of July 1, 2015

*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, 2015**

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SCHEDULE OF RATES, CHARGES AND FEES

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**SCHEDULE OF RATES, CHARGES AND FEES TO CUSTOMERS
OF THE EAST BAY MUNICIPAL UTILITY DISTRICT
As of July 1, 2015**

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**SCHEDULE OF RATES, CHARGES AND FEES TO CUSTOMERS
OF THE EAST BAY MUNICIPAL UTILITY DISTRICT
As of July 1, 2015**

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**SCHEDULE OF RATES, CHARGES AND FEES TO CUSTOMERS
OF THE EAST BAY MUNICIPAL UTILITY DISTRICT
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EAST BAY MUNICIPAL UTILITY DISTRICT

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 2016 and their effective dates.

Most recreation fee schedules are adjusted on a calendar year basis, and are shown effective for July - December 2015 and January - December 2016. Camanche Hills Hunting Preserve fees are effective October 1, 2015- September 30, 2016.

Included also are the Water System rates for:

- water service;
- drought surcharges;
- account establishment;
- 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 included are:

- 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 in this report.

**Water System Rates,
Charges and Fees**

SCHEDULES OF RATES, CHARGES AND FEES

FY16

Water System

Schedule A – Rate Schedule for Water Service

Schedule B – Account Establishment Charge

Schedule C – Charges for Special Services

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Schedule N – Water Demand Mitigation Fees

Schedule A

Rate Schedule for Water Service

FY16



SCHEDULE A

RATE SCHEDULE FOR WATER SERVICE

A. ONE MONTH BILLING

Bills for all metered services shall consist of:

FIRST - A WATER SERVICE CHARGE based on the size of a standard meter:

METER SIZE	SERVICE CHARGE AMOUNT
5/8 and 3/4 inch meters	\$19.34
1 inch meter	29.20
1-1/2 inch meter	53.88
2 inch meter	83.48
3 inch meter	162.42
4 inch meter	251.24
6 inch meter	497.92
8 inch meter	793.95
10 inch meter	1,139.32
12 inch meter	1,583.38
14 inch meter	2,027.42
16 inch meter	2,570.15
18 inch meter	3,112.86

The service charge 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.

Effective July 1, 1997, when a meter larger than 4 inches is required for a single-family residential customer to maintain adequate water pressure, the maximum service charge amount shall be set at the 4-inch meter level.



SCHEDULE A

RATE SCHEDULE FOR WATER SERVICE

A. ONE MONTH BILLING (Continued)

SECOND - A WATER FLOW CHARGE FOR WATER DELIVERED based on one month meter readings for all water delivered per 100 cu. ft.:

	WATER FLOW CHARGE PER 100 CU. FT.
<u>Potable Water Service</u>	
Single Family Residential Accounts:	
For the first 172 gpd	\$2.95
For all water used in excess of 172 gpd, up to 393 gpd	4.06
For all water used in excess of 393 gpd	5.36
Multiple Family Residential Accounts:	
For all water used	4.17
All Other Water Use:	
For all water used	4.15

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.

	WATER FLOW CHARGE PER 100 CU. FT.
<u>Nonpotable/Recycled Water Service</u>	
For all water used	\$3.23



SCHEDULE A

RATE SCHEDULE FOR WATER SERVICE

B. TWO MONTH BILLING

Bills for all metered services shall consist of:

FIRST - A WATER SERVICE CHARGE based on the size of a standard meter:

METER SIZE	SERVICE CHARGE AMOUNT
5/8 and 3/4 inch meters	\$38.68
1 inch meter	58.40
1-1/2 inch meter	107.76
2 inch meter	166.96
3 inch meter	324.84
4 inch meter	502.48
6 inch meter	995.84
8 inch meter	1,587.90
10 inch meter	2,278.64
12 inch meter	3,166.76
14 inch meter	4,054.84
16 inch meter	5,140.30
18 inch meter	6,225.72

The water service charge 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.

Effective July 1, 1997, when a meter larger than 4 inches is required for a single-family residential customer to maintain adequate water pressure, the maximum service charge amount shall be set at the 4-inch meter level.



SCHEDULE A

RATE SCHEDULE FOR WATER SERVICE

B. TWO MONTH BILLING (Continued)

SECOND - A WATER FLOW CHARGE FOR WATER DELIVERED based on two month meter readings for all water delivered per 100 cu. ft.

	WATER FLOW CHARGE PER 100 CU. FT.
<u>Potable Water Service</u>	
Single Family Residential Accounts:	
For the first 172 gpd	\$2.95
For all water used in excess of 172 gpd, up to 393 gpd	4.06
For all water used in excess of 393 gpd	5.36
Multiple Family Residential Accounts:	
For all water used	4.17
All Other Water Use:	
For all water used	4.15

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.

	WATER FLOW CHARGE PER 100 CU. FT.
<u>Nonpotable/Recycled Water Service</u>	
For all water used	\$3.23



SCHEDULE A

RATE SCHEDULE FOR WATER SERVICE

C. EXCEPTIONS TO TWO MONTH BILLING

Except as provided below, customer accounts shall 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 based on the size of a standard meter:

METER SIZE	SERVICE CHARGE AMOUNT
5/8 and 3/4 inch meters	\$10.29
1 inch meter	14.13
1-1/2 inch meter	23.70
2 inch meter	35.20
3 inch meter	65.86
4 inch meter	100.34
6 inch meter	196.14
8 inch meter	311.09
10 inch meter	445.21
12 inch meter	617.63
14 inch meter	790.07
16 inch meter	1,000.83
18 inch meter	1,211.58



SCHEDULE A

RATE SCHEDULE FOR WATER SERVICE

D. PRIVATE FIRE SERVICES (Continued)

Effective July 1, 1997, when a meter larger than 4 inches is required for a single-family residential customer to maintain adequate water pressure, the maximum service charge amount 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 the rate for general use, and may be subject to a penalty as may be established by the District.

E. ELEVATION SURCHARGE

Elevation Designator	AMOUNT PER 100 CU. FT.
0 and 1	\$0.00
2 through 5	0.60
6 and greater	1.24

The Elevation Surcharge is determined by the pressure zone in which the service connection is located. Pressure zones are identified by designations that include an elevation designator.

Schedule B

Account Establishment Charge

FY16



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 \$40.00 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 \$20.00.

Schedule C

Charges for Special Services

FY16



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"	\$56.00
1-1/2" and 2"	\$44.00 On Site \$114.00 Pull/Test
3" and larger	\$268.00 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..... \$43.00

The charge for restoring service after payment has been received during regular office hours is \$43.00

The charge for restoring service between 5 p.m. and 8 a.m. or on Saturday, Sunday or on a holiday is \$50.00

A Service Trip charge of \$43.00 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..... \$350.00

C. RETURNED PAYMENT CHARGE

A charge of \$27.00 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 | \$155 per Lien |
| 2. Lien Removal Fee | \$71 (in Alameda County) and \$64 (in Contra Costa County) for first lien removed

\$23 (in Alameda County) and \$15 (in Contra Costa County) for each additional lien removed at the same time |
| 3. Property Tax Transfer Fee
Unpaid Charges with Liens Recorded | \$20 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
Unpaid Charges without Liens Recorded | \$137 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 \$46.00 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" | \$ | 53.00 |
| 1" | | 53.00 |
| 1-1/2" | | 187.00 |
| 2" | | 187.00 |



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) \$59.00
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 \$49.00/hr.
3. The charge for backflow testers to be placed on the District's list of certified testers..... \$100.00



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 \$199.00

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 \$27.00

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..... \$27.00

M. SERVICE TRIP CHARGE

The charge for District staff to perform special services for customers is..... \$43.00

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..... \$89.00

The charge to renew a hydrant meter account
at the end of a 12-month period is \$89.00

If a field stop is required to establish a new account, a \$167 site visit charge shall be paid in addition to the \$89 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..... \$215.00

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

FY16



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"	\$6,193	\$1,169
1-1/2"	6,379	3,148
2"	7,301	3,468
3"***	23,892	21,504
4"***	25,885	23,297

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	\$3,048
b. Installations in paved conditions	6,255

* 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	\$6,654	\$3,421
	3	6,925	3,692
	4	7,198	3,967
	5	8,393	4,559
	6	8,665	4,832
	7	8,938	5,104
	8	9,210	5,377
1 inch Meters	2	6,871	3,642
	3	7,258	4,027
	4	7,640	4,408

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 \$311.00 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 \$156.00 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 \$516 (Additional charge of \$448 if concrete replacement required)

1-1/2" Tap and Lateral* (No concrete replacement required)

5/8"	to	3/4"	\$600
5/8"	to	1"	600
3/4"	to	1"	600
5/8"	to	1-1/2"	761
3/4"	to	1-1/2"	761
1"	to	1-1/2"	761

2" Tap and Lateral* (No concrete replacement required)

5/8"	to	3/4"	\$600
5/8"	to	1"	600
3/4"	to	1"	600
5/8"	to	1-1/2"	1,127
1"	to	1-1/2"	1,127
*5/8"	to	2"	1,127
*3/4"	to	2"	1,127
*1"	to	2"	1,127
1-1/2"	to	2"	1,127

* Additional charge of \$524 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 \$448 if concrete replacement required)

5/8"	to	3/4"	\$600
5/8"	to	1"	600
3/4"	to	1"	600
5/8"	to	1-1/2"	1,127
3/4"	to	1-1/2"	1,127
1"	to	1-1/2"	1,127
5/8"	to	2"	1,127
3/4"	to	2"	1,127
1"	to	2"	1,127
1-1/2"	to	2"	1,127

4" Tap and Lateral (Additional charge of \$557 if concrete replacement required)

5/8"	to	3"	\$7,894
3/4"	to	3"	7,894
1"	to	3"	7,894
1-1/2"	to	3"	7,894
2"	to	3"	7,894
5/8"	to	4"	7,894
3/4"	to	4"	7,894
1"	to	4"	7,894
1-1/2"	to	4"	8,790
2"	to	4"	8,790
3"	to	4"	8,790

C. COST OF REDUCING SERVICE SIZE (Additional charge of \$557 if concrete replacement required)

1"	to	3/4" or 5/8"	\$370
1-1/2"	to	1", 3/4" or 5/8"	511
2"	to	1-1/2"	1,418
2"	to	1", 3/4" or 5/8"	511
3"	to	2"	2,281
3"	to	1-1/2"	2,258
3"	to	1", 3/4" or 5/8"	1,937
4"	to	3"	7,714
4"	to	2"	2,252
4"	to	1-1/2"	2,252
4"	to	1", 3/4", or 5/8"	1,937



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"	\$6,193
1-1/2"	6,379
2"	7,301
3"	23,892
4"	25,885

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	\$507	(Additional charge of \$448 if concrete replacement required)
1.5" tap and lateral to 3 or 4-5/8" meters	\$1,012	(Additional charge of \$597 if concrete replacement required)
1.5" tap and lateral to 2-1" meter manifold	\$586	(Additional charge of \$597 if concrete replacement required)
2" tap and lateral to 5/8" meter manifold		
5 and 6 meters	\$1,553	(Additional charge of \$597 if concrete replacement required)
7 and 8 meters	1,985	(Additional charge of \$748 if concrete replacement required)
4" tap and lateral to a 5/8" meter manifold \$1,590 plus \$252 per meter requested (Additional charge of \$748 if concrete replacement required)		

G. SERVICE ELIMINATIONS

3/4" to 2"	\$1,463	(Additional charge of \$448 if concrete replacement required)
3" to 12"	3,748	(Additional charge of \$597 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

FY16



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"	\$6,379	\$3,148
2"	7,301	3,468
4"	19,554	17,554
6"	20,830	18,830
8"	28,893	26,893

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

FY16



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 \$13,796.

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 \$3,160.00
- 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 \$3,303.00
- 2. The charge to remove a hydrant located in dirt 2,938.00

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 \$475 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 \$8,794. There is an additional charge of \$584 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..... \$1,518.00
- 2. If the existing hydrant body is a dry-barrel, underground shutoff type, the replacement charge is..... 2,366.00

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

FY16



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\$4,610.00
plus,
- 2. Linear foot charge of:
 - PVC pipe in dirt streets.....\$112.00 per foot
 - PVC pipe in paved streets.....183.00 per foot
 - Copper pipe in dirt streets130.00 per foot
 - Copper pipe in paved streets.....201.00 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.....\$4,610.00
plus,
- 2. Basic charge per fire hydrant installed:
 - In dirt\$9,656.00
 - In pavement.....11,038.00
 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\$167.00 per foot
 - Steel pipe.....202.00 per foot
 - In Paved Streets or Roads
 - PVC pipe\$249.00 per foot
 - Steel pipe.....277.00 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 \$4,184.00
plus,

Linear foot charge of:

6-inch diameter pipe \$34.00 per foot

8-inch diameter pipe 34.00 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

FY16



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"	\$7,830	\$9,780
1"	19,580	24,440
1-1/2"	39,200	48,900
2"	62,700	78,200
3"	125,300	156,400
4"	195,800	244,400

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 \$195,800 in gravity zones or \$244,400 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

FY16



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	\$23,380	\$42,220	\$39,040
3/4	35,070	63,330	58,560
1	58,570	105,760	97,800
1-1/2	117,140	211,520	195,600
2	187,420	338,430	312,960

For service connections with larger meters see Sec. 3.

2. Single Family Service Connections (SCC) (dollars per connection)**

METER SIZE (INCHES)	REGION***		
	1	2	3
3/4	\$16,370	\$28,410	\$36,230
1	27,340	47,440	60,500
1-1/2	54,680	94,880	121,000

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 premises 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	\$1,991
Future Water Supply*	1,870

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	\$1,985
2	n/a	4,031
3	n/a	2,386
3C	\$6,200	1,791
3D	6,200	1,791

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	\$9,530	\$13,260	\$12,430

*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	\$93,850
3/4	n/a	140,780
1	n/a	235,100
1-1/2	n/a	470,200
2	n/a	752,320

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	\$83,830	\$93,850
1	140,000	156,730
1-1/2	280,000	313,460

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 ¾ -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	\$32,340	\$32,940

*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.



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 or water use information that was used to calculate the initial SCC payment (see Section A – SCC for Standard Service). 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. No SCC credit will be given unless prior service to the premise is verified. 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	\$7,480	\$10,000	\$11,690
3/4	11,220	15,010	17,530
1	18,740	25,060	29,280
1-1/2	37,470	50,120	58,550
2	59,960	80,200	93,690

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 and removed at the end of the initial period, as solely determined by the District.

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 and removed. 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

FY16



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 \$1,060.00. 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 (EIR), the annexation proceeding charge shall also include, in addition to \$1,060.00, 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 \$796.00.
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 L

**Drought Surcharge Rate Schedule
for Water Service**

FY16



SCHEDULE L

DROUGHT SURCHARGE RATE SCHEDULE FOR WATER SERVICE

The following amounts will be charged in addition to rates shown in Schedule A for all water delivered during the declared drought stage for billing cycles that are billed on or after July 1, 2015.

A TEMPORARY SURCHARGE FOR POTABLE WATER DELIVERED based on one month or two month meter readings for all water delivered per 100 cu. ft.:

MONTHLY DROUGHT SURCHARGES WATER FLOW CHARGE PER 100 CU. FT.				
	Maximum Applicable Drought Surcharge in 4 Stages			
Single-Family Residential Accounts	1	2	3	4
For the first 172 gpd	\$0.00	\$0.23	\$0.59	\$0.73
For all water used in excess of 172 gpd, up to 393 gpd	0.00	0.31	0.79	0.99
For all water used in excess of 393 gpd	0.00	0.40	1.03	1.30
Multi-Family Residential	0.00	0.32	0.81	1.02
All Other Accounts	0.00	0.32	0.81	1.01

Schedule M

Water Service Estimate Application Fees

FY16



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	\$2,484.00
Each additional increment of 10 units or portion thereof up to 200 units	663.00
Over 200 units (including Basic charge)	14,612.00

**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	\$3,946.00
Each additional increment of 10,000 square feet or portion thereof Up to 100,000 square feet	664.00
Over 100,000 square feet (including Basic charge)	\$9,863.00

**3. CONDITIONAL SERVICES WITH NO MAIN
EXTENSION**

Fixed price	\$1,463.00
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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 \$369.00

5. PIPELINE RELOCATIONS/REPLACEMENTS/ABANDONMENTS

Fixed price \$1,463.00

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

FY16



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" territory¹ 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	\$12,740
3/4	18,340
1	28,540
1-1/2	55,030
2	101,920

2. Single Family Service Connections (dollars per connection)

METER SIZE (INCHES)	WATER DEMAND MITIGATION FEE FOR STANDARD SERVICE IN THE MEADOWS TERRITORY
5/8	\$12,470
3/4	18,340
1	28,540
1-1/2	55,030

¹ 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" territory¹ 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	\$16,360
3/4	23,560
1	36,650
1-1/2	70,690
2	130,900

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	\$16,020
3/4	23,560
1	36,650
1-1/2	70,690

¹ 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 DEVELOPMENT¹

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).²

1. Common Area Offset Fee

The total Water Use Offset Fee for common areas in the Wiedemann Ranch Development is \$66,856, payable as a condition of issuance of the first meter for the common area.³

2. Single Family Service Connections

The Water Use Offset Fee for each residential lot in the Wiedemann Ranch Development is \$6,673, which amount shall be indexed using the same index as for the common area offset fee.

¹The 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").

²The Wiedemann Agreement specifies the amount and other terms related to the Future Water Supply Component of the SCC for the Wiedemann Ranch Development.

³The 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
DEVELOPMENT¹**

For water service within Wiedemann Ranch Development, payment of Additional Water Use Offset Fees shall be required in the event the annual water budget⁴ 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 \$14.40.⁵

¹The 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").

⁴The 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.

⁵The 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 PROJECT¹

For service connections within the Camino Tassajara Integrated Project², 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	\$15,770
3/4	22,730
1	35,340
1-1/2	68,150
2	126,180

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	\$10,840
3/4	15,920
1	24,800
1-1/2	47,800

¹The Water Demand Mitigation Fee shall be indexed to the unit charge of the Future Water Supply component of the EBMUD System Capacity Charge.

²As 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	\$6,500
Each additional DU in same structure	5,200

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 budget³ 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 \$1.00 per gpd.

³The 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 9134¹**

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	\$15,110
3/4	21,760
1	33,840
1-1/2	65,290
2	120,890

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 ²	\$10,370
3/4	15,260
1	23,720
1-1/2	45,760

¹The Water Demand Mitigation Fee shall be indexed to the unit charge of the Future Water Supply component of the EBMUD System Capacity Charge.

²5/8" 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**

SCHEDULES OF RATES, CHARGES AND FEES

FY16

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

FY16



SCHEDULE A
WASTEWATER DEPARTMENT
RATES FOR TREATMENT SERVICE

Current

I. Unit Treatment Rates

Flow (\$ per 100 cubic ft.)	\$1.033
CODf (\$ per pound of discharge)	0.306
Suspended Solids (\$ per pound)	0.447

Unit treatment 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)	5.29
B. Strength Charge (per dwelling unit)	7.28
Minimum monthly charge per household	12.57
C. Plus: A flow charge of \$1.04 per 100 cubic ft. applied to a maximum of 9 units (per dwelling unit).	
Minimum monthly charge at 0 units	\$0.00
Maximum monthly charge at 9 units	9.36
D. Total Residential Charge (A+B+C above)*	
Minimum monthly charge (for 8800)	\$12.57
Maximum monthly charge (for 8800)	21.93
Average monthly charge (for 8800)	18.81

*Does not include SF Bay Residential Pollution Prevention Fee

III. Non-Residential Charges

A. Monthly service charge (per meter)	\$5.29
B. Treatment charge including flow processing (per 100 cubic feet of sewage discharge).	
2010 Meat Products	\$6.78
2011 Slaughterhouses	6.85
2020 Dairy Product Processing	5.37
2030 Fruit and Vegetable Canning	4.36



SCHEDULE A
WASTEWATER DEPARTMENT
RATES FOR TREATMENT SERVICE

	Current
2040 Grain Mills	4.48
2050 Bakeries (including Pastries)	7.62
2060 Sugar Processing	4.17
2077 Rendering Tallow	13.66
2080 Beverage Manufacturing & Bottling	3.22
2090 Specialty Foods Manufacturing	13.81
2600 Pulp and Paper Products	3.85
2810 Inorganic Chemicals Mfgr.	5.12
2820 Synthetic Material Manufacturing	1.18
2830 Drug Manufacturing	2.40
2840 Cleaning and Sanitation Products	4.87
2850 Paint Manufacturing	9.51
2893 Ink and Pigment Manufacturing	3.35
3110 Leather Tanning and Finishing	13.01
3200 Earthenware Manufacturing	2.79
3300 Primary Metals Manufacturing	2.22
3400 Metal Products Fabricating	1.27
3410 Drum and Barrel Manufacturing	13.14
3470 Metal Coating	1.38
4500 Air Transportation	1.79
5812 Food Service Establishments	4.71
6513 Apartment Buildings (5 or more units)	2.36
7000 Hotels, Motels with Food Service	3.42
7210 Commercial Laundries	2.98
7215 Coin Operated Laundromats	2.25
7218 Industrial Laundries	8.24
7300 Laboratories	1.62
7542 Automobile Washing and Polishing	2.15
8060 Hospitals	2.09
8200 Schools	1.52
All Other Business Classification Code (includes dischargers of only segregated domestic wastes from sanitary conveniences)	2.36

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	\$2.36
B	10-19% Food, 81-90% Domestic	2.60
C	20-29% Food, 71-80% Domestic	2.83
D	30-39% Food, 61-70% Domestic	3.07
E	40-49% Food, 51-60% Domestic	3.30
F	50-59% Food, 41-50% Domestic	3.54
G	60-69% Food, 31-40% Domestic	3.77
H	70-79% Food, 21-30% Domestic	4.01
I	80-89% Food, 11-20% Domestic	4.24
J	90-99% Food, 1-10% Domestic	4.48
K	0-9% Bakery, 91-100% Domestic	2.36
L	10-19% Bakery, 81-90% Domestic	2.89
M	20-29% Bakery, 71-80% Domestic	3.41
N	30-39% Bakery, 61-70% Domestic	3.94
O	40-49% Bakery, 51-60% Domestic	4.46
P	50-59% Bakery, 41-50% Domestic	4.99
Q	60-69% Bakery, 31-40% Domestic	5.52
R	70-79% Bakery, 21-30% Domestic	6.04
S	80-89% Bakery, 11-20% Domestic	6.57
T	90-99% Bakery, 1-10% Domestic	7.09
 Minimum Monthly Treatment Charge:		
6513	Apartment Buildings (5 or more units)	\$41.69
	All Others	5.29

Wastewater Department

Schedule B

Rates for Resource Recovery Waste Treatment

FY16



SCHEDULE B ⁽¹⁾

WASTEWATER DEPARTMENT
RATES FOR RESOURCE RECOVERY MATERIAL TREATMENT

MATERIAL TYPE	RATE ⁽²⁾
Septage	\$0.07/gal
Fats, Oil and Grease	\$0.08/gal
Process Water	\$0.05/gal
Gray Water	<u>Variable with Total Dissolved Solid (TDS)</u> \$0.04/gal 0-100,000 mg/l TDS \$0.08/gal > 100,000 mg/l TDS
Sludge	<u>Variable with % Total Solids (TS)</u> \$0.05/gal up to 3% TS plus \$0.005/gal per %TS for TS between 3% to 20%
Liquid Organic Material	\$0.04/gal
Protein Material	\$0.08/gal
Solid Organic Material	\$30-65/ton ⁽³⁾
Permit Fee	\$300 (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) 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

FY16



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

FY16



SCHEDULE D

WASTEWATER DEPARTMENT
OTHER FEES

TYPE	RATE
SF Bay Commercial Pollution Prevention Fee	\$5.48/Month ^a
SF Bay Residential Pollution Prevention Fee	\$0.20/mo per dwelling unit ^b
Monitoring Fees	\$1,180
Violation Follow-Up Fees Stage 1 Stage 2 Stage 3	 \$670 \$1,410 + Testing Fees ^c \$2,950 + Testing Fees ^c
Private Sewer Lateral Compliance Fees Compliance Certificate Time Extension Certificate Inspection Reschedule Extra Lateral or Additional Verification Test Off-Hours Verification Non-Compliance – Initial Fee Non-Compliance – Monthly Fee	 \$225 \$93 \$73 \$66 per lateral \$200 for 2.5 hours \$350 \$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

FY16



SCHEDULE E

WASTEWATER DEPARTMENT
TESTING FEES

LABORATORY TEST CHARGES	FEE	METHOD
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

FY16



SCHEDULE F

WET WEATHER FACILITIES CHARGE

Annual Charge Collected on Property Tax Bill

TYPE	RATE
Small Lot (0-5,000 sq ft)	\$89.62
Medium Lot (5,001-10,000 sq ft)	\$140.00
Large Lot (>10,000 sq ft)	\$320.00

Wastewater Department

Schedule G

Capacity Fees

FY16



SCHEDULE G
WASTEWATER DEPARTMENT
CAPACITY FEES

TABLE 1

Residential	(\$/dwelling unit) ^{1,5}	\$1,860 ²
Non-Residential (\$/ccf/mo) ^{3,4, 5}		
2010	Meat Products	\$856
2011	Slaughterhouses	862
2020	Dairy Product Processing	679
2030	Fruit and Vegetable Canning	553
2040	Grain Mills	568
2050	Bakeries (including Pastries)	959
2060	Sugar Processing	531
2077	Rendering Tallow	1,707
2080	Beverage Manufacturing & Bottling	413
2090	Specialty Foods Manufacturing	1,733
2600	Pulp and Paper Products	489
2810	Inorganic Chemicals Manufacturing	647
2820	Synthetic Material Manufacturing	157
2830	Drug Manufacturing	311
2840	Cleaning and Sanitation Products	618
2850	Paint Manufacturing	1,195
2893	Ink and Pigment Manufacturing	429
3110	Leather Tanning and Finishing	1,633
3200	Earthenware Manufacturing	358
3300	Primary Metals Manufacturing	285
3400	Metal Products Fabricating	169
3410	Drum and Barrel Manufacturing	1,648
3470	Metal Coating	182
4500	Air Transportation	233
5812	Food Service Establishments	598
7000	Hotels, Motels with Food Service	436
7210	Commercial Laundries	382
7215	Coin Operated Laundromats	291
7218	Industrial Laundries	1,039



SCHEDULE G

WASTEWATER DEPARTMENT

CAPACITY FEES

(Continued)

7300	Laboratories	212
7542	Automobile Washing and Polishing	277
8060	Hospitals	271
8200	Schools	200
	All Other Business Classification Codes (includes dischargers of only segregated domestic wastes from sanitary conveniences)	278

Permit Accounts^{4,6}

Flow (\$/ccf/mo)	139.19
Chemical Oxygen Demand Filtered (CODF) (\$/lb/mo)	38.20
Total Suspended Solids (TSS) (\$/lb/mo)	55.41

¹ Includes BCC 6514 and 8800.

² Residential fee is calculated as follows:

Flow:	6.7	x	\$139.19	=	\$933
CODF:	7.9	x	38.20	=	302
TSS:	11.29	x	55.41	=	<u>625</u>
					\$1,860

³ 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.

⁴ 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)

⁵A 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.

⁶ 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**

FY16



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

SCHEDULES OF RATES, CHARGES AND FEES

FY16

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 2015

Schedule of Recreation Use Fees for January – June 2016

Real Property Use Application Fees

FY16



REAL PROPERTY USE APPLICATION FEES

TYPE OF USE	APPLICATION FEE
Fee Title (<i>Outright purchase of District property</i>)	\$2,000.00
Easement (<i>Rights for permanent use of District property, such as access, utilities, etc.</i>)	1,000.00
Quitclaim (<i>Removal of District's right, title and interest to property</i>)	1,000.00
Revocable License (<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
Lease (<i>The right to occupy and use District land for a specified time period</i>)	600.00
Telecommunication Lease (<i>Long-term lease for PCS, cellular and/or radio uses</i>)	2,000.00
Information-only (<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
Processing and Review of Watershed Land Use Proposals (<i>Request for District to perform a formal evaluation of watershed land use proposal</i>)	\$60/hr (plus all other District costs)
Property Entry Permits, Rights of Entry, Temporary Construction Permits (<i>Permission for temporary access onto District</i>)	100.00
Limited Land Use Permit (<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

FY16



PUBLIC RECORDS ACT FEE SCHEDULE

INTRODUCTION

The following Fee Schedule has been established by the District to cover the costs for duplicating District documents, drawings, maps, recordings, and other records, as required by the Public Records Act.

The District offers access to its records upon receipt of a request that 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 may 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 (\$0.52 per minute duplicating time)
+ Materials & Equipment Cost (e.g., cost per sheet or media)
+ Postage (if applicable)**

- Labor Costs: Labor costs for duplication time is charged at the rate of \$0.51 per minute. Labor costs are 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 the District'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 the District'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 the District'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, 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 require 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., a record merely needs to be retrieved and printed, and does not require data compilation, extraction, or programming to produce), the following fee applies:

**Fee = Labor Cost (\$0.52 per minute duplicating time)
Materials & Equipment Cost
+ Postage (if applicable)**

Materials & Equipment costs vary 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 require 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, the District is under no obligation to provide records that do not already exist. Accordingly, the applicable fee is:

**Fee = Labor Cost (\$0.99 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 (\$0.52 per minute duplicating time)
Cost per tape (90-minute cassette tape = \$1.68/tape)
+ Postage (if applicable)

D. COMPACT DISCS (CDs)

Fee = Labor Cost (\$0.52 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 (\$0.52 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)

Municipal Utility District 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	
District customer and employee	\$34.95 each 24.95 each
Hardcover	
District customer and employee	49.95 each 29.95 each
Wholesalers	up to 60% discount
Vendors	up to 50% discount

Schedule of Recreation Use Fees

July – December 2015



**RECREATION USE FEES FOR 2015
January 2015***

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.



**SCHEDULE OF RATES AND CHARGES TO CUSTOMERS
OF THE EAST BAY MUNICIPAL UTILITY DISTRICT**

CAMANCHE HILLS HUNTING PRESERVE	<u>USE FEE</u>
PRESERVE LICENSE (QUANTITY PRICE BREAK)	
PRESERVE LICENSE:	
Initiation Fee (Family)	\$2,995.00
Initiation Fee (Corporate)	2,995.00
Annual Maintenance (Family)	200.00
Annual Maintenance (Corporate)	400.00
 LICENSED GUIDE GOOSE HUNT (PER PERSON/HUNT)	 200.00
BIRD PROCESSING: (PRICE PER EACH)	
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
 Dog Rental	
Half Day	75.00
Full Day	140.00
Special Hunt	140.00
 SPORTING CLAYS	
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
 ARCHERY RANGE AND COURSE	
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.



CAMANCHE RESERVOIR - NORTH SHORE AND SOUTH SHORE RECREATION AREAS	<u>USE FEE</u>
VEHICLE ENTRY/PARKING CAR/MOTORCYCLE/SMALL VAN	
Daily	\$12.50
Daily, after 3:00pm on non-holiday weekends	8.00
Daily (Off-season)	8.00
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)	60.00
Combined Car and Boat 5 Use Card, after 3:00pm weekdays	37.50
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
DOG - daily	5.00
BOAT LAUNCH	
Daily	10.00
Daily (Off-season)	7.00
Night	10.00
Annual	150.00
Senior/Disabled/Former POW/Disabled Veteran Annual	75.00



**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	1,450.00
30 feet & larger	1,900.00

BOAT SLIP OPEN (Excl. park entry)

Daily	25.00
Weekly	140.00
Monthly	350.00
Annual	1,650.00
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	1,850.00
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)	<u>USE FEE</u>
RV/TRAILER/BOAT STORAGE (Excl. park entry)	
Weekly	\$50.00
Monthly	120.00
12 Months, consecutive	675.00
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	110.00
6 month July 1 through Dec 31 (annual prorated)	55.00
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	10.50



**CAMANCHE RESERVOIR - NORTH SHORE
AND SOUTH SHORE RECREATION AREAS
(continued)**

USE FEE

LAKESIDE PREMIUM CAMPSITES

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

CAMPSITES WITH YURT STRUCTURES

8 person nightly	75.00
16 person nightly	125.00
8 person weekly	395.00
16 person weekly	645.00

**CAMPSITE (WALK-IN/BICYCLE PARKING –
8 PERSON/BIKE MAX)**

Nightly	25.00
Weekly	135.00
14 nights	255.00

GROUP CAMP (Nightly)

Group Assembly Area	80.00
8-Person Limit (Horse Camp, 4 persons, 4 horses max)	50.00
12-Person Limit	85.00
16-Person Limit	105.00
24-Person Limit	125.00
32-Person Limit	165.00
64-Person Limit	295.00
72-Person Limit	350.00

GROUP CAMP (Nightly, off season)

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



CAMANCHE RESERVOIR - NORTH SHORE AND SOUTH SHORE RECREATION AREAS (continued)	<u>USE FEE</u>
RV SITE	
Nightly	\$48.00
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)	53.00
Premium Sites Weekly (Peak Season)	325.00
TOWING	
Camanche Recreation Area per hour	110.00
MISCELLANEOUS	
Camanche Recreation Area Lake Tours	14.00
Holding Tank Pumping	75.00
COTTAGE/MOTEL GENERAL	
Camanche Recreation Area – Security Deposit	200.00
Additional Guest Charge (to maximum occupancy)	15.00
COTTAGE (4-Person Base)	
May - Sept: Night	170.00
Week	800.00
Oct-March: Night	115.00
Week	570.00
Month	1,500.00
COTTAGES (6-Person Base)	
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	CY14 Rate + HUD FMR
3 bedroom	CY14 Rate + HUD FMR
4 bedroom	CY14 Rate + HUD FMR

MOBILE HOME SPACES (MONTHLY)

North Shore 1A	CY14 Rate + HUD FMR
North Shore 1B	CY14 Rate + HUD FMR
North Shore 2	CY14 Rate + HUD FMR
South Shore	CY14 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.

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.



LAFAYETTE RECREATION AREA	<u>USE FEE</u>
ENTRY AND PARKING - CAR/MOTORCYCLE/SMALL VAN	
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
ENTRY AND PARKING LARGE VANS AND BUSES	
Large Vans - 10-20 Passengers	18.00
Buses – 21+ Passengers	33.00
DOG (no charge)	
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.)	
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
BOAT LAUNCH	
Daily	4.00
Annual	50.00
Boat Inspection Fee	6.00
FISHING ACCESS	
Daily	5.00
GROUP PICNIC	
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**

PARDEE RECREATION AREA	<u>USE FEE</u>
VEHICLE ENTRY AND PARKING - CAR/MOTORCYCLE/SMALL VAN	
Daily/Nightly (Non-Camping)	\$9.00
Season	104.00
Combined Car/Boat Daily	15.00
VEHICLE ENTRY AND PARKING LARGE VANS AND BUSES	
Large Vans - 10-20 Passengers	20.00
Buses – 21+ Passengers	35.00
DOG	4.00
STANDARD BOAT LAUNCH	
Daily (Weekend included)	8.00
Season	90.00
CARTOP BOAT LAUNCH (Float Tube, Kayak, Canoe, Scull)	
Daily	4.00
Season	40.00
BOAT MOORING	
Monthly	120.00
Season	420.00
BOAT SLIP (excl. park entry)	
Daily	9.00
Weekly	43.50
Monthly	132.00
Season	660.00
Season (concurrent with season RV)	610.00
FISHING ACCESS	
Daily	5.00
Annual	140.00
MISCELLANEOUS	
RV/Campsite Reservation Fee	9.00



PARDEE RECREATION AREA (continued)	<u>USE FEE</u>
STANDARD CAMPSITE (w/vehicle parking)	
Nightly	\$24.00
Second Car Parking	12.00
Weekly	144.00
Second Car Parking	72.00
PREMIUM CAMPSITE (w/vehicle parking)	
Nightly	27.00
Weekly	162.00
CAMPSITE (walk-in/bicycle parking) (8 person/8 bike maximum)	
Nightly	18.00
Weekly	108.00
DOUBLE CAMPSITE (16 people/ 2 vehicles)	
Nightly	48.00
Third or Fourth Vehicle	12.00
RV SITE	
Nightly	33.00
Weekly	198.00
Monthly	430.00
Season	2,350.00
Season – Premium Site	2,650.00
RV/TRAILER/BOAT STORAGE (Excl. park entry)	
Weekly	26.00
Monthly	60.00
Season	480.00
Season – concurrent with season RV Site	430.00
TOWING	80.00
RESERVABLE SITE/FACILITY (charges in addition to above fees)	
Small (25 or less persons)	55.00
Medium (26-100 persons)	80.00
Large (101-150 persons)	110.00
Over 150 persons	220.00
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.



SAN PABLO RECREATION AREA	<u>Proposed</u> <u>CY15</u>
ENTRY AND PARKING – CAR/MOTORCYCLE/SMALL VAN	
Daily	\$7.00
Daily (Special Events)	5.00
Season	110.00
3-Month Season	36.00
ENTRY AND PARKING LARGE VANS AND BUSES	
Large Vans - 10-20 Passengers	22.00
Buses – 21+ Passengers	40.00
DOG	4.00
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.)	
Small (up to 10 people)	120.00
Medium (11 to 50 people)	600.00
Large (51 to 150 people)	1,200.00
STANDARD BOAT LAUNCH	
Daily	8.00
Season (Entry & Boat Launch)	163.00
3-Month Season (Entry & Boat)	62.00
Boat Inspection Fee	6.00
CARTOP BOAT LAUNCH (Float Tube, Kayak, Canoe, Scull)	
Daily	4.00
Season (Entry and Cartop Launch)	124.00
3-Month Season (Entry & Cartop Launch)	41.00
FISHING ACCESS	
Daily	5.00
GROUP PICNIC	
Large Sites (Oaks & Pine) daily	260.00
GAZEBO	60.00
TOWING	65.00



SAN PABLO RECREATION AREA (continued) VISITOR CENTER & DECK RENTAL	<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
WEEKDAY VISITOR CENTER & DECK (8:00am-4:00pm)	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).



**SCHEDULE OF RATES AND CHARGES TO CUSTOMERS
OF THE EAST BAY MUNICIPAL UTILITY DISTRICT**

WATERSHED TRAIL SYSTEM	<u>USE FEE</u>
WATERSHED TRAILS	
Daily Permit	\$3.00
Annual Permit	10.00
Three-Year Permit	20.00
Five-Year Permit	30.00

Schedule of Recreation Use Fees

January – June 2016



**RECREATION USE FEES FOR 2016
January 2016***

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 the 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.

Distinguished Veteran Discount Program – Holders of the California State Parks Distinguished Veteran Pass receive free day use and boat launch at all District recreation areas.

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 California Department of Fish and Wildlife Free Fishing Days.

*Fee years are by calendar year for all locations except the Camanche Hills Hunting Preserve where fees are implemented earlier for the hunting year October 1- September 30.



CAMANCHE HILLS HUNTING PRESERVE	<u>USE FEE</u>
PRESERVE LICENSE (QUANTITY PRICE BREAK)	
PRESERVE LICENSE:	
Initiation Fee (Family)	\$2,995.00
Initiation Fee (Corporate)	2,995.00
Annual Maintenance (Family)	200.00
Annual Maintenance (Corporate)	400.00
 LICENSED GUIDE GOOSE HUNT (PER PERSON/HUNT)	 200.00
BIRD PROCESSING: (PRICE PER EACH)	
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
 Dog Rental	
Half Day	75.00
Full Day	140.00
Special Hunt	140.00
 SPORTING CLAYS	
Full Round Course (100 targets)	40.00
Half Round Course (50 targets)	22.00
Additional Round	10.00
Full-Day	50.00
25 targets (5-Stand/Grouse bunker)	9.00
25 targets (Skeet/trap)	6.00
 ARCHERY RANGE AND COURSE	
7 Station 3-D target Course	
Per person	10.00
Per pair	18.00
Per group (max 4)	34.00
 FISHING ACCESS TO RABBIT CREEK ARM OF CAMANCHE LAKE AND FARM PONDS LOCATED ON CHHP RECREATIONAL AREA	
Public Fishing Access	10.00
CHHP Members Access	5.00
 FISHING ACCESS TO RABBIT CREEK ARM OF CAMANCHE LAKE	
Public Fishing Access: Bow for Carp	10.00



CAMANCHE HILLS HUNTING PRESERVE (continued)	<u>USE FEE</u>
<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	
<p>Pricing for planted bird hunting will be reviewed and approved by the Director of Water and Natural Resources.</p> <p>Free bird hunting and sporting clays shooting is offered to the communications media, based on the availability of birds and the sporting clays course.</p> <p>Free use of the facilities is offered to non-profit hunting organizations for family, disabled and junior hunting functions.</p> <p>A Target Shooting (sporting clay, trap, 5-stand and bunkers) discount of 15% is offered to Senior and Disabled visitors.</p> <p>A Target Shooting discount of 50% is offered to Distinguished Veteran Pass holders.</p> <p>A Driven Pheasant Shoot discount of 15% is offered to Senior, Disabled and Distinguished Veteran Pass holders.</p> <p>An RV Parking discount of 50% is offered to Senior, Disabled and Distinguished Veteran Pass holders.</p> <p>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.</p> <p>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.</p> <p>Discounts and incentives are separate and cannot be combined for a larger discount or incentive.</p> <p>The Daily fee is valid only on the date of purchase and provides the hunter with opportunities to hunt and harvest either 3 pheasants or 6 quail.</p>	



**SCHEDULE OF RATES AND CHARGES TO CUSTOMERS
OF THE EAST BAY MUNICIPAL UTILITY DISTRICT**

CAMANCHE RESERVOIR - NORTH SHORE AND SOUTH SHORE RECREATION AREAS	<u>USE FEE</u>
VEHICLE ENTRY/PARKING CAR/MOTORCYCLE/SMALL VAN	
Daily	\$12.50
Daily, after 3:00pm on non-holiday weekends	10.00
Daily (Off-season)	8.00
Nightly (non-camping)	12.00
Annual	160.00
Combined Car/Boat Daily	17.00
Combined Car and Boat 5 Use Card (Off-season)	60.00
Combined Car and Boat 5 Use Card, after 3:00pm weekdays	37.50
Annual Marina Overnight/Day Use	210.00
VEHICLE ENTRY/PARKING LARGE VANS AND BUSES	
Large Vans - 10-20 Passengers	19.00
Buses – 21+ Passengers	36.00
DOG - daily	5.50
BOAT LAUNCH	
Daily	10.00
Daily (Off-season)	7.00
Night	10.00
Annual	150.00
Senior/Disabled/Former POW/Disabled Veteran Annual	75.00
BOAT MOORING (Buoy)	
Nightly	15.00
Weekly	80.00
Monthly: under 30 feet	250.00
30 feet & larger	325.00
Annual: under 30 feet	1,450.00
30 feet & larger	1,900.00



CAMANCHE RESERVOIR - NORTH SHORE AND SOUTH SHORE RECREATION AREAS (continued)	<u>USE FEE</u>
BOAT SLIP OPEN (Excl. park entry)	
Daily	\$30.00
Weekly	150.00
Monthly	350.00
Annual	1,650.00
8 Months	1,350.00
Key Security Deposit	10.00
BOAT SLIP COVERED – 24’ Length Maximum	
Daily	40.00
Weekly	170.00
Monthly	460.00
Annual	1,850.00
Key Security Deposit	50.00
BOAT SLIP COVERED – (over 24’ Length Excl. Park Entry)	
Daily	45.00
Weekly	210.00
Monthly	560.00
Annual	2,250.00
Key Security Deposit	50.00
RV/TRAILER/BOAT STORAGE (Excl. park entry)	
Weekly	50.00
Monthly	120.00
12 Months, consecutive	700.00
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
Annual – concurrent with Mobile Home Space Rent (<28’, 1 boat only, dry # 3)	150.00



CAMANCHE RESERVOIR - NORTH SHORE AND SOUTH SHORE RECREATION AREAS (continued)	<u>USE FEE</u>
FISHING ACCESS PERMIT	
Daily	\$5.50
Annual	120.00
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	10.50
LAKESIDE PREMIUM CAMPSITES	
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
CAMPSITES WITH YURT STRUCTURES	
8 person nightly	75.00
16 person nightly	125.00
8 person weekly	395.00
16 person weekly	645.00
CAMPSITE (WALK-IN/BICYCLE PARKING – 8 PERSON/BIKE MAX)	
Nightly	25.00
Weekly	135.00
14 nights	255.00



CAMANCHE RESERVOIR - NORTH SHORE AND SOUTH SHORE RECREATION AREAS (continued)	<u>USE FEE</u>
GROUP CAMP (Nightly)	
12-Person Limit	\$90.00
16-Person Limit	110.00
24-Person Limit	130.00
32-Person Limit	170.00
64-Person Limit	300.00
72-Person Limit	355.00
GROUP CAMP (Nightly, off season)	
12-Person Limit	50.00
16-Person Limit	55.00
24-Person Limit	60.00
32-Person Limit	65.00
64-Person Limit	145.00
72-Person Limit	170.00
EQUESTRIAN – TURKEY HILL – 2 HORSES PER SINGLE SITE – “NO OFFSEASON DISCOUNTS”	
General Assembly Area	80.00
Turkey Hill Single	50.00
Turkey Hill Double	105.00
Turkey Hill Triple	125.00
Turkey Hill Quad	165.00
Entire Turkey Hill (includes assembly area)	590.00
RV SITE	
Nightly	48.00
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)	53.00
Premium Sites Weekly (Peak Season)	325.00
TOWING	
Camanche Recreation Area per hour	110.00
MISCELLANEOUS	
Camanche Recreation Area Lake Tours	14.00
Holding Tank Pumping	100.00



CAMANCHE RESERVOIR - NORTH SHORE AND SOUTH SHORE RECREATION AREAS (continued)		<u>USE FEE</u>
COTTAGE/MOTEL GENERAL		
Camanche Recreation Area – Security Deposit		\$200.00
Additional Guest Charge (to maximum occupancy)		15.00
COTTAGE (4-Person Base)		
May - Sept:	Night	170.00
	Week	800.00
Oct-March:	Night	115.00
	Week	570.00
	Month	1,500.00
COTTAGES (6-Person Base)		
May-Sept:	Night	215.00
	Week	935.00
Oct-April:	Night	150.00
	Week	700.00
	Month	1,250.00
MOTEL (TWIN)		
May-Sept:	Night	80.00
	Week	400.00
Oct-April:	Night	60.00
	Week	300.00
	Month	525.00
RESORT RENTAL (4 BEDROOM, 14 PERSON MAX)		
May-Sept:	Night	315.00
	Week	1,575.00
Oct-March:	Night	155.00
	Week	785.00
MOBILE HOME (MONTHLY)		
2 bedroom		CY15 Rate + HUD FMR
3 bedroom		CY15 Rate + HUD FMR



**CAMANCHE RESERVOIR - NORTH SHORE
AND SOUTH SHORE RECREATION AREAS
(continued)**

USE FEE

MOBILE HOME SPACES (MONTHLY)

North Shore 1A	CY15 Rate + HUD FMR
North Shore 1B	CY15 Rate + HUD FMR
North Shore 2	CY15 Rate + HUD FMR
South Shore	CY15 Rate + HUD FMR

**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)	650.00
Lakeside Hall Daily (kitchen & serviceware included)	925.00
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 to and use of rental boats during off-hours, a 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 – 50% Discount on annual entry and boat launch fees, and on non-holiday weekday boat rentals. Senior rates are for individuals with a driver's license or ID showing age 62 or older.

Distinguished Veteran Pass holders – Free day use and boat launch and 50% discount on non-holiday weekday boat rentals.

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; a 40% discount on off-season monthly open slip, covered slip and mooring buoy fees; and a 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 of up to one-hour.



LAFAYETTE RECREATION AREA	<u>USE FEE</u>
ENTRY AND PARKING - CAR/MOTORCYCLE/SMALL VAN	
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)	0.75
Senior/Disabled	105.00
Season (new)	
Senior/Disabled	80.00
Season (renewal upon existing access card)	
ENTRY AND PARKING LARGE VANS AND BUSES	
Large Vans - 10-20 Passengers	18.00
Buses – 21+ Passengers	33.00
DOG (no charge)	
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.)	
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
BOAT LAUNCH	
Daily	4.00
Annual	50.00
Boat Inspection Fee	6.00
FISHING ACCESS	
Daily	5.00
GROUP PICNIC	
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 – 50% discount on boat launch fees and on non-holiday weekday boat rentals. Senior rates are for individuals with a drivers' license showing age 62 or older.

Distinguished Veteran Pass holders – Free day use and boat launch and 50% discount on non-holiday weekday boat rentals.



**SCHEDULE OF RATES AND CHARGES TO CUSTOMERS
OF THE EAST BAY MUNICIPAL UTILITY DISTRICT**

PARDEE RECREATION AREA	<u>USE FEE</u>
VEHICLE ENTRY AND PARKING - CAR/MOTORCYCLE/SMALL VAN	
Daily/Nightly (Non-Camping)	\$9.50
Season	110.00
Combined Car/Boat Daily	16.00
VEHICLE ENTRY AND PARKING LARGE VANS AND BUSES	
Large Vans - 10-20 Passengers	21.00
Buses – 21+ Passengers	36.00
DOG	5.00
STANDARD BOAT LAUNCH	
Daily (Weekend included)	8.50
Season	95.00
CARTOP BOAT LAUNCH (Float Tube, Kayak, Canoe, Scull)	
Daily	4.50
Season	42.00
BOAT MOORING	
Monthly	120.00
Season	420.00
BOAT SLIP (excl. park entry)	
Daily	9.50
Weekly	45.00
Monthly	135.00
Season	680.00
Season (concurrent with season RV)	630.00
FISHING ACCESS	
Daily	5.50
Annual	195.00
MISCELLANEOUS	
RV/Campsite Reservation Fee	10.00



PARDEE RECREATION AREA (continued)	<u>USE FEE</u>
STANDARD CAMPSITE (w/vehicle parking)	
Nightly	\$26.00
Second Car Parking	10.00
Weekly	156.00
Second Car Parking	60.00
PREMIUM CAMPSITE (w/vehicle parking)	
Nightly	29.00
Weekly	174.00
CAMPSITE (walk-in/bicycle parking) (8 person/8 bike maximum)	
Nightly	20.00
Weekly	120.00
DOUBLE CAMPSITE (16 people/ 2 vehicles)	
Nightly	50.00
Third or Fourth Vehicle	10.00
RV SITE	
Nightly	36.00
Weekly	216.00
Monthly	490.00
Season	2,850.00
Season – Premium Site	2,950.00
RV/TRAILER/BOAT STORAGE (Excl. park entry)	
Weekly	20.00
Monthly	60.00
Season	490.00
Season – concurrent with season RV Site	440.00
12 Month Consecutive	660.00
TOWING	80.00
RESERVABLE SITE/FACILITY (charges in addition to above fees)	
Small (25 or less persons)	58.00
Medium (26-100 persons)	85.00
Large (101-150 persons)	115.00
Over 150 persons	225.00
Café/Pool Day Use Area (refundable deposit)	50.00



PARDEE RESERVOIR - DISCOUNTS, SPECIAL PROGRAMS, LIMITATIONS.

Concessionaire Employees may receive free entrance to and use of rental boats during off-season hours, a 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 to 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 – 50% Discount on annual entry and boat launch fees, and on non-holiday weekday boat rentals. Senior rates are for individuals with a driver's license or ID showing age 62 or older.

Distinguished Veteran Pass holders – Free day use and boat launch and 50% discount on non-holiday weekday boat rentals.

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.



SAN PABLO RECREATION AREA	<u>USE FEE</u>
ENTRY AND PARKING – CAR/MOTORCYCLE/SMALL VAN	
Daily	\$7.00
Daily (Special Events)	5.00
Season	110.00
3-Month Season	36.00
ENTRY AND PARKING LARGE VANS AND BUSES	
Large Vans - 10-20 Passengers	22.00
Buses – 21+ Passengers	40.00
DOG	2.00
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.)	
Small (up to 10 people)	120.00
Medium (11 to 50 people)	600.00
Large (51 to 150 people)	1,200.00
STANDARD BOAT LAUNCH	
Daily	8.00
Season (Entry & Boat Launch)	163.00
3-Month Season (Entry & Boat)	62.00
Boat Inspection Fee	6.00
CARTOP BOAT LAUNCH (Float Tube, Kayak, Canoe, Scull)	
Daily	4.00
Season (Entry and Cartop Launch)	124.00
3-Month Season (Entry & Cartop Launch)	41.00
FISHING ACCESS	
Daily	5.00
GROUP PICNIC	
Large Sites (Oaks) daily	260.00
Large Sites (Pines) daily	150.00
GAZEBO	60.00
TOWING	50.00



SAN PABLO RECREATION AREA (continued) VISITOR CENTER & DECK RENTAL	<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
WEEKDAY VISITOR CENTER & DECK (8:00am-4:00pm)	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 to and use of rental boats during off-hours, and a 20% discount on food and merchandise. The 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 to 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 – 50% Discount on seasonal and 3-month entry and boat launch fees, and on non-holiday weekday boat rentals. Senior rates are for individuals with a driver's license or ID showing age 62 or older.

Distinguished Veteran Pass holders – Free day use and boat launch and 50% discount on non-holiday weekday boat rentals.

Unless determined otherwise, the recreation season is mid-February through November (dates selected by concessionaire with District approval).



WATERSHED TRAIL SYSTEM	<u>USE FEE</u>
WATERSHED TRAILS	
Daily Permit	\$3.00
Annual Permit	10.00
Three-Year Permit	20.00
Five-Year Permit	30.00