



*For Immediate Release*

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## **EBMUD Board Adopts Two-Year Budget and Rates**

*Budget will continue District's aggressive construction program, second largest in 80-year history, while maintaining reasonable rates for customers*

OAKLAND -- The East Bay Municipal Utility District Board of Directors adopted a two-year budget for its water and wastewater systems that will total \$615 million in FY04 and \$758 million in FY05. Water and wastewater rates will increase a modest 3.75 percent each budget year.

EBMUD has 1.3 million water customers in Alameda and Contra Costa counties, and 610,000 wastewater customers along the East Bay shoreline.

For the average District residential water users, the increase will be 91 cents per month the first year and 99 cents a month the second budget year. The average residential water customer uses 270 gallons per day and currently pays \$26.09.

The average wastewater residential customer's bill would increase 43 cents a month the first year and 45 cents a month the second year. The average residential wastewater customer currently pays \$10.76 a month.

Despite the economic uncertainties fueled by skyrocketing energy, security, and health care costs, EBMUD is still able to hold rate increases at or below the rate of inflation because of successful long-term financial approach. The District has carefully managed its assets resulting in a highly favorable bond rating and reduced interest rates and found new ways to be more efficient, maximizing the use of technology and reducing costs.

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## Budget and rates (2)

For example, this year the District will net \$400,000 a year in savings from closing two branch business offices, in addition to an expected \$625,000 onetime savings anticipated from the sale of those offices. The District plans to streamline its customer service system and save \$500,000 annually as well.

While striving to keep rates low, the EBMUD budget proposal reflects the District's commitment to continue to provide the highest quality water to its 1.3 million customers by aggressively maintaining and enhancing its water treatment and delivery system.

Over the next five years, the District will spend \$1 billion repairing and upgrading existing pipelines, reservoirs, pumping plants, buildings and other facilities in addition to securing a supplemental water supply to protect its customers against a potentially devastating drought.

EBMUD is currently engaged in the second largest building project in the District's 80-year history, the \$168 million Walnut Creek-San Ramon Valley Improvement Project. It is also near the completion of its 10-year Seismic Improvement Program, which has included the retrofitting of dozens of storage reservoirs and pumping plants. The District also has completed construction of the Southern Loop Pipeline, a large emergency pipeline that will allow the District to move water from east to west, or west to east, at its southern end.

Meanwhile, the District has made unprecedented progress in attaining a supplemental water supply to protect its customers against a potentially devastating drought. After 30 years of struggles -- 19 in court -- with Sacramento County and Sacramento environmentalists over EBMUD's rights to American River water, the two communities have formed a partnership to take water from the Sacramento River at Freeport. The environmental report on that project will be presented this summer.

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### Budget and Rates (3)

"We're being fiscally prudent," said Frank Mellon, EBMUD Board President, "trying to do the things we can do without negatively impacting our ratepayers. We're taking a long-term view on how to best protect our ratepayers."

The first year of the budget and rates take effect July 1.

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