BOARD OF DIRECTORS
EAST BAY MUNICIPAL UTILITY DISTRICT

375 - 11th Street, Oakland, CA 94607 Office of the Secretary: (510) 287-0440

AGENDA
Tuesday, May 9, 2017

REGULAR CLOSED SESSION
11:00 a.m., Board Room

ROLL CALL:

PUBLIC COMMENT: The Board of Directors is limited by State law to providing a brief response, asking questions for clarification, or referring a matter to staff when responding to items that are not listed on the agenda.

ANNOUNCEMENT OF CLOSED SESSION AGENDA:

1. Significant exposure to litigation pursuant to Government Code section 54956.9(d)(2): two matters.

2. Conference with Labor Negotiators Glenn Berkheimer from the Industrial Employers Distributors Association, Alexander R. Coate, Sophia D. Skoda, Laura A. Brunson and David Pak pursuant to Government Code Section 54957.6: Employee Organizations International Union of Operating Engineers, Local 39; American Federation of State, County and Municipal Employees, Locals 444 and 2019; and International Federation of Professional & Technical Engineers, Local 21.

(The Board will hold Closed Session in Conference Room 8)

REGULAR BUSINESS MEETING
1:15 p.m., Board Room

ROLL CALL:

BOARD OF DIRECTORS:

- Pledge of Allegiance

ANNOUNCEMENTS FROM CLOSED SESSION:

PUBLIC COMMENT: The Board of Directors is limited by State law to providing a brief response, asking questions for clarification, or referring a matter to staff when responding to items that are not listed on the agenda.

CONSENT CALENDAR: (Single motion and vote approving 8 recommendations.)

1. Approve the Regular Meeting Minutes of April 25, 2017.

2. File correspondence with the Board.

3. Award a contract to the lowest responsive/responsible bidder California Marine Diesel, Inc., in the amount, after the addition of taxes, not to exceed $369,473 for supplying spare parts to be used in the overhaul of the District's Power Generation Station at the Main Wastewater Treatment Plant, beginning on or after May 10, 2017, under Request for Quotation No. 1705.

4. Award a contract to the lowest responsive/responsible bidder, McGuire and Hester, in the amount of $2,314,580 for construction of Mokelumne Aqueduct No. 1 Temperature Anchor Upgrade at Station 2505+50 under Specification 2115.

5. Authorize an amendment and additional agreements for paving, striping, sealing, concrete repair, and other related services.

   5a. Authorize amendments to agreements awarded under Board Motion No. 008-14 dated January 14, 2014 to increase the estimated combined amount by $3,400,000 for paving, striping, sealing, concrete repair, and other related services beginning on or after May 9, 2017 through the remainder of the period ending December 31, 2019 with the following vendors awarded work under the original Board Motion: AJW Construction; American Asphalt Repair; Black Gold Paving & Sealing; Bond Black Top, Inc.; Bruce Enterprises, Inc.; California Pavement Maintenance Company; Carone & Co., Inc.; Cliff Swisher Custom Concrete; Coastal Paving; County Paving Co., Inc.; John W. Hertzig, Contractor; JV Lucas Paving, Inc.; MCE Corporation; MCK Services, Inc.; Morgan-Bonnano Development; O.C. Jones & Sons, Inc.; Pacific General Engineering; Ransome Co.; VSS-International; and public agencies.

   5b. Authorize additional agreements with vendors that meet District standards to increase flexibility and ensure vendor availability.

6. Authorize the Office of General Counsel to continue employment of the law firm of Barg, Coffin, Lewis & Trapp, LLP, for specialized legal services related to environmental issues and regulatory compliance.

7. Approve the assignment of contracts for the Supervisory Control and Data Acquisition System Upgrade, and OP/NET System Maintenance Support and Improvement, originally awarded under Board Motion Nos.166-15 and 135-12, respectively, from Telvent USA, LLC, to Schneider Electric Systems USA, Inc.

8. Authorize the District to become a party to the Bay Area Biosolids to Energy Coalition Joint Exercise of Powers Agreement.

DETERMINATION AND DISCUSSION:

9. File a report and set a Public Hearing for the Water and Wastewater System Schedule of Rates and Charges, Capacity Charges and Other Fees.

   9.1. File the General Manager's Report and Recommendation for revisions to the Water and Wastewater System Schedule of Rates and Charges, Capacity Charges and Other Fees.

   9.2. Set a Public Hearing for Tuesday, June 13, 2017, during the Board's regular meeting to consider the report and recommendation, and to comply with Proposition 218 public notification requirements.

10. Introduction of first reading of an ordinance amending Section 21 of the EBMUD Employees' Retirement System Ordinance (Ordinance No. 40) to update the actuarially assumed rate of return from 7.50 percent to 7.25 percent.

    (Introduction and First Reading – Ordinance No. 367-17)

11. Legislative Update:
    - Receive Legislative Report No. 07-17 and consider positions on the following bills: AB 732 (Frazier) Delta Levee Maintenance; AB 898 (Frazier) Property Taxation: Revenue Allocations: East Contra Costa Fire Protection District; AB 975 (Friedman) Natural Resources: Wild and Scenic Rivers; AB 968 (Rubio) Urban Water Use: Water Efficiency; AB 1669 (Friedman) Urban Water Conservation Standards and Use Reporting; AB 1654 (Rubio) Water Shortage: Urban Water Management Planning; AB 1668 (Friedman) Water Management Planning; and Trailer Bill 810 Water Conservation as a California Way of Life
    - Update on Legislative Issues of Interest to EBMUD

12. General Manager's Report:
    - Chevron Recycled Water Contract Negotiations Update
    - Storm Operations Update
    - Customer Outreach Update
    - Monthly Report – April 2017

REPORTS AND DIRECTOR COMMENTS:

13. Committee Reports:
    - Finance/Administration
    - Planning
    - Legislative/Human Resources

14. Other Items for Future Consideration.

15. Director Comments.

ADJOURNMENT:

The next Regular Meeting of the Board of Directors will be held at 1:15 p.m. on Tuesday, May 23, 2017 at the Orinda Community Center, 28 Orinda Way, Orinda, California 94563.

Disability Notice

If you require a disability-related modification or accommodation to participate in an EBMUD public meeting please call the Office of the Secretary (510) 287-0404. We will make reasonable arrangements to ensure accessibility. Some special equipment arrangements may require 48 hours advance notice.

Document Availability

Materials related to an item on this Agenda that have been submitted to the EBMUD Board of Directors within 72 hours prior to this meeting are available for public inspection in EBMUD's Office of the Secretary at 375 11th Street, Oakland, California, during normal business hours, and can be viewed on our website at www.ebmud.com.

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BOARD CALENDAR

Date	Meeting	Time/Location	Topics
Tuesday, May 9	**Planning Committee** Mellon {Chair}; Linney; Young	8:30 a.m. Training Resource Center	• Dos Osos Reservoir Replacement Project Update and Availability of Mitigated Negative Declaration • Pipeline Rebuild Update • Residential Backflow Devices • Resource Recovery Update • Customer Assistance Programs Update
	Legislative/Human Resources Committee Coleman {Chair}; Patterson; Young	10:30 a.m. Training Resource Center	• Legislative Update
	Board of Directors	11:00 a.m. 1:15 p.m.	• Closed Session • Regular Meeting
Tuesday, May 23	**Finance/Administration Committee** Patterson {Chair}; Coleman; Mellon	TBD	
	Board of Directors	11:00 a.m. 1:15 p.m. Orinda Community Center, 28 Orinda Way Orinda, CA 94563	• Closed Session • Regular Meeting
Monday, May 29	**Memorial Day**		*District offices will be closed*
Tuesday, June 13	**Planning Committee** Mellon {Chair}; Linney; Young	9:15 a.m. Training Resource Center	
	Legislative/Human Resources Committee Coleman {Chair}; Patterson; Young	10:15 a.m. Training Resource Center	
	Board of Directors	11:00 a.m. 1:15 p.m.	• Closed Session • Regular Meeting

Draft Prepared By
RC
Office of the Secretary

MINUTES

Tuesday, April 25, 2017

East Bay Municipal Utility District
Board of Directors
375 Eleventh Street
Oakland, California

Regular Closed Session Meeting

President Lesa R. McIntosh called to order the Regular Closed Session Meeting of the Board of Directors at 11:00 a.m. in the Administration Center Board Room.

ROLL CALL

Directors John A. Coleman, Doug Linney, Frank Mellon, William B. Patterson, Marguerite Young, and President Lesa R. McIntosh were present at roll call. Director Andy Katz arrived in Conference Room 8 at 11:17 a.m. (absent).

Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Attorney Derek T. McDonald (Items 1a & 2), Engineering Manager Elizabeth Z. Bialek (Item 1a), Manager of Real Estate Services Matt Elawady (Item 2), Attorney Lourdes Matthew (Item 3), Director of Finance Sophia D. Skoda (Item 3), Manager of Human Resources Laura A. Brunson (Item 3), Manager of Employee Relations David Pak (Item 3), and Industrial Employers Distributors Association representatives Glenn Berkheimer and Bruce Heid (Item 3).

PUBLIC COMMENT

- Addressing the Board was Mark Foley, President, AFSCME Local 2019, who commented on negotiations and highlighted some of the union's contract proposals being presented to the District.

ANNOUNCEMENT OF CLOSED SESSION AGENDA

President Lesa R. McIntosh announced the Closed Session agenda. The Board convened to Conference Room 8 for discussion.

Regular Business Meeting

President Lesa R. McIntosh called to order the Regular Business Meeting of the Board of Directors at 1:15 p.m. in the Administration Center Board Room.

ROLL CALL

Directors John A. Coleman, Andy Katz, Doug Linney, Frank Mellon, William B. Patterson, Marguerite Young, and President Lesa R. McIntosh were present at roll call. Director Mellon left the meeting at 1:30 p.m. (excused) to attend the Green California Summit and Exposition Leadership Awards Reception and Ceremony in Sacramento.

Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer and Secretary of the District Rischa S. Cole.

BOARD OF DIRECTORS

President McIntosh led the Pledge of Allegiance.

PRESENTATION

President McIntosh announced that in 2013, EBMUD partnered with ten water and wastewater agencies in Alameda County and eleven in Contra Costa County to develop the "Excellence in Water and Wastewater Research Awards" which recognizes outstanding student projects in the world of water.

The Board honored students from schools in EBMUD's service area whose projects won prizes at the annual Contra Costa County Science Fair on March 17. Director Coleman presented Akaash Babu and Aditya Sathyanarayanan with prizes for winning 2nd place in the Junior Division for their project "Solar Water Desalination." These students researched current desalination methods and realized they were energy intensive and expensive. They created a low cost solution using available resources and solar energy. The result is a potential solution for those without access to clean water. Each student was awarded $150 and their teacher Amber Allen will be awarded $100 for her contributions to education in water science and engineering. Vasily Tremsin (not present), was also recognized for winning 3rd place in the Senior Division for his project, "Real-Time imaging of soil moisture distribution for intelligent subsurface irrigation." His project looked at the possibility of a device providing imaging of soil moisture content, thereby significantly improving the efficiency of soil irrigation. Vasily will be awarded $100 and his teacher Betty Watson will be awarded $100 for her contributions to education in water science and engineering. The Board thanked the students for their participation and congratulated them on their accomplishments.

ANNOUNCEMENTS FROM CLOSED SESSION

President McIntosh announced that the Board, in closed session, by a unanimous vote of the Directors attending, authorized the General Counsel to initiate litigation in one matter. The actions, defendants and other particulars will be disclosed, upon inquiry, once the action has formally commenced.

PUBLIC COMMENT

- Addressing the Board were the following: 1) Jay Morgan, representing AFSCME Local 2019, introduced Matt Harray, EBMUD Water System Inspector; 2) Matt Harray, EBMUD Water System Inspector commented on some of the union's contract proposals being presented to the District; and 3) Mark Foley, President, AFSCME Local 2019, commented on some of the union's contract proposals being presented to the District.

CONSENT CALENDAR

- Motion by Director Mellon, seconded by Director Linney, to approve the recommended actions for Items 1 through 11 on the Consent Calendar, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, Mellon, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (None).

1. **Motion No. 053-17** – Approved the Special and Regular Meeting Minutes of April 11, 2017.

2. The following correspondence was filed with the Board: **1)** Flyer entitled "AB 975 Floor Advisory" submitted by Steve Evans, Friends of the River; **2)** Presentation entitled "FY17 Bond Financings" dated April 25, 2017; **3)** Presentation entitled "2017 Water Supply Availability and Deficiency Report" dated April 25, 2017; **4)** Memorandum dated April 25, 2017 to Board of Directors, from Alexander R. Coate, General Manager, regarding Tour of Watershed Trails – June 22, 2017; and **5)** Speakers' Bureau and Outreach Record CY17 as of April 24, 2017.

3. **Motion No. 054-17** – Awarded a contract to the lowest responsive/responsible bidder Coast Counties Truck & Equipment in an amount, after the addition of taxes, not to exceed $604,152 for supplying two scoop trucks to the District under Request for Quotation No. 1712.

4.1. **Motion No. 055-17** – Awarded a contract to the lowest responsive/responsible bidder, Certified Coating Company, in the amount of $4,279,282 for construction of Recoat Mokelumne Aqueduct No. 1 Phase 12 under Specification 2123.

4.2. **Motion No. 056-17** – Authorized an agreement beginning on or after April 25, 2017 with Bay Area Coating Consultants, Inc., in an amount not to exceed $580,140 for construction support services for the Recoat Mokelumne Aqueduct No. 1 Phase 12 project.

5.1. **Motion No. 057-17** – Awarded a contract to the lowest responsive/responsible bidder, C. Overaa & Co., in the amount of $34,169,000 for construction of the Sobrante and Upper San Leandro Water Treatment Plants Ozone Systems Improvement Project under Specification 2117.

5.2. **Motion No. 058-17** – Authorized an agreement beginning on or after April 25, 2017 with Cooper Pugeda Management, Inc., in an amount not to exceed $1,692,170 to provide construction support services for the Sobrante and Upper San Leandro Water Treatment Plants Ozone System Improvements Project.

5.3. **Motion No. 059-17** – Awarded a sole source contract to Honeywell International, Inc., after the addition of taxes, not to exceed $800,000, for supplying two distributed control system Experion software packages and associated hardware for the Sobrante and Upper San Leandro Water Treatment Plants.

5.4. **Motion No. 060-17** – Authorized an agreement beginning on or after April 26, 2017 with Honeywell International, Inc. (Honeywell Process Solutions), in an amount not to exceed $650,000 for engineering services for Sobrante and Upper San Leandro Water Treatment Plants control systems improvement.

6a-b. **Motion No. 061-17** – Authorized agreements beginning on or after April 25, 2017 with Adam Moreno & Sons, Inc., MJH Excavating, Inc., Paladin Construction, and Sheehaul's Rock & Dirt in an amount not to exceed $300,000, for fully maintained and operated backhoe rentals for one year; and authorized additional agreements for fully maintained and operated backhoe rental services with vendors that meet District standards and offer pricing at or below the range in the proposed agreements above and authorized additional agreements for fully maintained and operated backhoe rental services with vendors that meet District standards and offer pricing at or below the range in the proposed agreements above. These additional agreements may be issued on an as-needed basis to increase flexibility and ensure vendor availability of FM&O backhoe rental services to the District.

7a-b. **Motion No. 062-17** – Authorized agreements beginning on or after April 25, 2017 with Diede Construction, Inc. dba Hydro X Services, Inc., and Presidio Systems, Inc., in the total amount not to exceed $365,000 for fully maintained and operated hydro/air-vacuum excavation rental services for one year; and authorized additional agreements for fully maintained and operated hydro/air-vacuum excavation rental services with companies that meet District standards and offer pricing at or below the range in the proposed agreements above and authorized additional agreements for fully maintained and operated hydro/air-vacuum excavation rental services with companies that meet District standards and offer pricing at or below the range in the proposed agreements above. These additional agreements may be issued on an as-needed basis to increase flexibility and ensure vendor availability of hydro/air-vacuum excavation rental services to the District.

8. **Motion No. 063-17** – Authorized an agreement with Brown and Caldwell in an amount not to exceed $340,000 to conduct a water quality improvements study for the East Bayshore Recycled Water Project.

9. **Motion No. 064-17** – Approved the assignment of the agreement for design services during construction for the Main Wastewater Treatment Plant Digester Nos. 6, 9, 10, and 11 Coating Repairs to West Yost Associates. This agreement was previously awarded to Whitley Burchett & Associates under Board Motion No. 037-16 on February 23, 2016.

10. **Resolution No. 35033-17** – Adopting Revised Policy 4.07, Investment Policy.

11. **Resolution No. 35034-17** – Adopting Revised Policy 4.02, Cash Reserves And Debt Management.

DETERMINATION AND DISCUSSION

12. **Legislative Update.**

Manager of Legislative Affairs Marlaigne K. Dumaine highlighted the bills and recommended actions contained in Legislative Report No. 06-17. There was discussion regarding the information provided on AB 975 (Friedman) and the Board requested that the bill be presented for consideration at the Legislative/Human Resources Committee and Regular Board meeting on May 9.

- Addressing the Board were the following: 1) Heinrich Albert, representing the Sierra Club, urged the Board to support AB 975; and 2) Steve Evans, representing Friends of the River, urged the Board to support AB 975.

  - Motion by Director Coleman, seconded by Director Patterson, to approve the recommended positions in Legislative Report No. 06-17, carried (6-0) by the following voice vote: AYES (Coleman, Katz, Linney, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (Mellon).

    Motion No. 065-17 – Received Legislative Report No. 06-17 and approved positions on the following bills: SUPPORT IF AMENDED AB 746 (Gonzalez-Fletcher) Public Health: Potable Water: Lead Testing: School Sites and Campuses; SUPPORT AB 1000 (Friedman) Water Conservation: Certification; SUPPORT AB 1587 (Levine) Invasive Species: Dreissenid Mussels; SUPPORT ACA 4 (Aguiar-Curry) Local Government Financing: Affordable Housing and Public Infrastructure: Voter Approval; and received information on AB 975 (Friedman) Natural Resources: Wild and Scenic Rivers.

13.1. **Authorize and approve the issuance of EBMUD Water System Revenue/Refunding Bonds, Series 2017A and 2017B in aggregate principal amount not to exceed $500 million, and approve the form and authorize the execution of certain documents, including a Supplemental Indenture, in connection with the issuance, securing and sale of such bonds.**

Finance/Administration Committee Chair William B. Patterson reported that the Committee voted unanimously to support the staff recommendations to issue and refund District Water and Wastewater Systems bonds. Treasury Manager Dari Barzel presented a summary of the recommended actions. She said the proposed Series 2017A and Series 2017B Water System Revenue Bonds will fund capital improvements for FY17 and FY18, may refund portions of the District's outstanding revenue bonds, and will pay bond issuance costs. Staff plans to issue the bonds in an aggregate principal amount not to exceed $500 million and in two series to facilitate the possible issuance of a portion as "Green Bonds." Combining the two years' sales and issuing at the end of FY17 provides significant savings to the District of approximately $4.5 million for FY17 and nearly $700,000 in issuance costs for FY18. The potential refundings include Series 2007B and Series 2010A Water Bonds and may include other outstanding water bonds to the extent the debt service savings threshold can be achieved. Based on current market conditions, approximately $13.1 million of Series 2007B Bonds and $169.3 million of Series 2010A Bonds meet the District's savings

threshold. Net present value refunding savings are estimated at $16.6 million. Cost of issuance is estimated at approximately $690,500. These bonds will be amortized so that the final maturity of the refunded bonds is not extended.

- Motion by Director Patterson, seconded by Director Coleman, to approve the recommended actions for Item 13.1 carried (6-0) by the following voice vote: AYES (Coleman, Katz, Linney, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (Mellon).

  Resolution No. 35035-17 – Authorize And Approve The Issuance Of Not To Exceed $500 Million Aggregate Principal Amount Of East Bay Municipal Utility District Water System Revenue Bonds, Series 2017A And Water System Revenue/Refunding Bonds, Series 2017B; Approve The Form And Authorize The Execution Of Certain Documents, In Connection With The Issuance, Securing And Sale Of Such Bonds; And Approve Certain Actions Relating Thereto.

13.2. **Authorize and approve the issuance of EBMUD Wastewater System Revenue/Refunding Bonds, Series 2017A in an amount not to exceed $80 million, and approve the form and authorize the execution of certain documents, including a Supplemental Indenture, in connection with the issuance, securing and sale of such bonds.**

Treasury Manager Dari Barzel said Wastewater System Revenue/Refunding Bonds Series 2017A are planned to be issued in an amount not to exceed $80 million. The bonds will fund wastewater system capital improvements for FY18, may refund portions of the District's outstanding revenue bonds, and will pay bond issuance costs. The potential refundings include Series 2007B and Series 2010A Wastewater Bonds and may include other outstanding wastewater bonds to the extent the debt service savings threshold can be achieved. Based on current market conditions, approximately $23.9 million of Series 2007B Wastewater Bonds and $27.9 million of Series 2010A Wastewater Bonds meet the District's savings threshold. Net present value refunding savings are estimated at $6 million and cost of issuance is estimated at approximately $465,500. These bonds will be amortized so that the final maturity of the refunded bonds is not extended.

- Motion by Director Patterson, seconded by Director Coleman, to approve the recommended actions for Item 13.2 carried (6-0) by the following voice vote: AYES (Coleman, Katz, Linney, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (Mellon).
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  Resolution No. 35036-17 – Authorize And Approve The Issuance Not To Exceed $80 Million Aggregate Principal Amount Of East Bay Municipal Utility District Wastewater System Revenue/Refunding Bonds, Series 2017A; Approve The Form And Authorize The Execution Of Certain Documents, In Connection With The Issuance, Securing And Sale Of Such Bonds; And Approve Certain Actions Relating Thereto.

14. **File the Water Supply Availability and Deficiency Report in conformance with District Policy 9.03 and declare that the District's water supply is sufficient for meeting customer demands in 2017.**

Engineering Manager Lena L. Tam presented the Water Supply Availability and Deficiency Report. The 2017 assessment concluded that projected runoff and water storage require designating 'Normal/Above' year type flows in the lower Mokelumne River under the District's Joint Settlement Agreement. Based on current 2017 runoff projections assuming median rainfall for the remainder of the year, Woodbridge Irrigation District will receive its full base supply of 60,000 acre-feet (AF); Jackson Valley Irrigation District will receive its maximum entitlement of 3,850 AF; and North San Joaquin Water Conservation District, a junior water right holder, will receive up to their scheduled amount of the 20,000 AF. In addition, she noted that flood control releases are anticipated this year. She highlighted the District's efforts to meet state emergency conservation regulations, the status of gainsharing water and provided an update on the Bayside Groundwater Project.

- Motion by Director Coleman, seconded by Director Young, to approve the recommended actions for Item 14 carried (6-0) by the following voice vote: AYES (Coleman, Katz, Linney, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (Mellon).

Motion No. 066-17 – Filed the Water Supply Availability and Deficiency Report in conformance with District Policy 9.03 and declared that the District's water supply is sufficient for meeting customer demands in 2017.

15. **General Manager's Report.**

Director of Operations and Maintenance Michael J. Wallis provided an update on District storm operations. He reviewed the season-to-date precipitation and cumulative runoff in the Mokelumne watershed and the snow depth and snow water content at Caples Lake. On April 3, the District began decreasing Camanche releases by 200 cubic feet per second (cfs) per day and has maintained a 4,000 cfs rate of release since April 7 to accommodate the runoff from recent storms. Next, he reviewed East Bay cumulative season-to-date precipitation and provided the spill status of local reservoirs.

The Board expressed their desire to continue receiving storm operations updates through June.

REPORTS AND DIRECTOR COMMENTS

16. **Committee Reports.**

- Filed with the Board were the Planning Committee Minutes of April 11, 2017.

17. **Other Items for Future Consideration.**

- Update on Board members' attendance at meetings since the August 2016 amendment to the resolution that establishes attendance requirements for directors' salaries.

18. **Director Comments.**

- Director Coleman reported attending/participating in the following events: Freeport Regional Water Authority Board teleconference meeting on April 13 from Vallejo; Association of California Water Agencies (ACWA) Executive Committee teleconference meeting on April 17 in Oakland; and HayWired Kickoff meeting on April 24 in Oakland. He reported on plans to attend/participate in the following upcoming events: Meeting with Sara Quiter on April 27 in Oakland; Upper Mokelumne River Water Authority Board meeting on April 28 in Pardee; ACWA Executive Committee teleconference meeting on May 1 in Oakland; Annual City presentation at Pleasant Hill City Council on May 1 in Pleasant Hill; Annual City presentation at Walnut Creek City Council on May 2 in Walnut Creek; Water supply update at Dougherty Valley Rotary Club on May 3 in San Ramon; Contra Costa County Mayors' Conference May 4 in Walnut Creek; and Boy Scouts Eagle Court #243 on May 6 in Lafayette.

- Director Katz reported attending/participating in the following events: Climate Action Review April 20-21 in San Francisco and Rising Sun's "Bright Night" event on April 20 in Berkeley.

- Director Linney reported attending/participating in the following events: San Leandro Creek Alliance meeting on April 17; Oakland League of Women Voters Annual All-City Luncheon on April 19 in Oakland; and the West Oakland Liaison meeting in Oakland on April 19.

- Director Mellon reported on plans to attend the Green California Summit and Exposition Leadership Awards Reception and Ceremony on April 25 in Sacramento.

- Director Patterson reported attending/participating in the following events: Freeport Regional Water Authority Board meeting on April 13 in Oakland; and Bob Schwartz memorial on April 14 in Oakland.

- Director Young had no comment.

- President McIntosh had no comment.

ADJOURNMENT

President McIntosh adjourned the meeting at 2:20 p.m.

SUBMITTED BY:

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Rischa S. Cole, Secretary of the District

APPROVED: May 9, 2017

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Lesa R. McIntosh, President of the Board

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EBMUD

AGENDA NO. 3.
MEETING DATE May 9, 2017

TITLE **PURCHASE OF SPARE PARTS FOR ENGINES AT MWWTP POWER GENERATION STATION**

☒ **MOTION** ☐ **RESOLUTION** ☐ **ORDINANCE**

RECOMMENDED ACTION

Award a contract to the lowest responsive/responsible bidder California Marine Diesel Inc. in the amount, after the addition of taxes, not to exceed $369,473 for supplying spare parts to be used in the overhaul of the District's Power Generation Station at the Main Wastewater Treatment Plant (MWWTP), beginning on or after May 10, 2017, under Request for Quotation (RFQ) No. 1705.

SUMMARY

The District is planning to rebuild the three engines at the MWWTP Power Generation Station via a separate contract that will be submitted for Board consideration by June 2017. This contract will provide the necessary spare parts required to complete the engine overhauls in a manner that will reduce engine downtime and maximize renewable energy production.

DISCUSSION

Procurement of spare parts for the engines will allow the immediate replacement of existing parts that are deemed in need of replacement during the upcoming engine inspection and rebuild work. If the spare parts are not available at the time this work is completed, the engines would be out of service for extended durations while the spare parts are fabricated. This condition would also result in the flaring of excess biogas and loss of associated renewable energy production and revenue. Award of this contract supports the District's Strategic Plan goal for Water Quality and Environmental Protection, specifically to "minimize impacts to the environment by reducing, recycling, reusing and reclaiming waste, and by conserving natural resources."

VENDOR SELECTION

Requests for quotations were sent to two resource organizations, six potential proposers, and advertised on the District's website. Two bids were received.

Funds Available: FY17		Budget Code: WWC/927/7999/2011285/5511
DEPARTMENT SUBMITTING Wastewater	DEPARTMENT MANAGER or DIRECTOR Eileen M. White Eileen M. White	APPROVED Alexander R. Coate General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.

SUSTAINABILITY

Economic

This item is included in the FY17 budget for the overhaul of the Power Generation Station at the MWWTP.

Social

The completed P-035 and P-061 forms for the Contract Equity Program are attached.

Environmental

Purchasing spare parts for the engines will reduce engine downtime and maximum renewable energy production during the planned engine rebuild work.

ALTERNATIVES

Do not proceed with this contract. This alternative is not recommended, because the District would experience extended engine downtime during the engine rebuild work with loss of associated renewable energy production and revenues.

Reject all bids and rebid the work. This alternative is not recommended, because the District has received reasonable pricing for the spare parts.

Attachments:

P-035 – Contract Equity Program Summary
P-061 – Affirmative Action Summary

CONTRACT EQUITY PROGRAM SUMMARY (P-035)

This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

TITLE	DATE:
Materials and Services Spare Parts for Power Generation Station	April 20, 2017

CONTRACTOR:	QUOTATION NO.:
California Marine Diesel, Inc. Long Beach, CA 90813	1705 Small Business

BID/PROPOSER'S PRICE:	FIRM'S OWNERSHIP	
	Ethnicity	Gender
$369,473 *	White	Men

PERCENTAGE OF CONTRACT DOLLARS

Availability Group	Contracting Objectives	Participation
White Men	25%	100.0%
White Women	2%	0.0%
Ethnic Minorities	25%	0.0%

CONTRACT EQUITY PARTICIPATION

COMPANY NAME	ESTIMATED AMOUNT	ETHNICITY	GENDER		CONTRACTING PARTICIPATION						
			M	W	White-Men	White-Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreign
PRIME: California Marine Diesel, Inc.	$369,473	White	X		100.0%						
SUBS: None											
TOTAL	$369,473				100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

CONTRACTOR'S WORKFORCE PROFILE (From P-025 Form)

	White Men	White Women	Ethnic Minorities	Total Employees
No. of Employees:	5	1	9	15
Percent of Total Employees:	33.3%	6.7%	60.0%	
MSA Labor Market %:	28.0%	23.6%	48.4%	
MSA Labor Market Location:	Total USA			

COMMENTS

Contract Equity Participation - 100% White Men participation

*Total not to exceed - $369,473

Workforce Profile & Statement of Nondiscrimination Submitted	Good Faith Outreach Efforts Requirement Satisfied	Award Approval Recommended
NA	NA	

AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

This summarizes information provided by the contractor(s)' P-025 Form regarding their workforce.

Title: **Spare Parts for Power Generation Station**

Quotation #: 1705

DATE: 4/20/2017

Ethnic Minority Percentages From U.S. Census Data	B	H	A/PI	AI/AN	TOTAL
National	10.5	10.7	3.7	0.7	27.3
9 Bay Area Counties	5.5	16.2	14.2	0.4	39.9
Alameda/CC Counties	10.7	15.6	15.4	0.5	46.2

R=Recmmd P=Prime S=Sub | Composition of Ownership | Company Name, Owner/Contact Person, Address, and Phone Number | Number of Ethnic Minority Employees

		B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %
RP WM: SBE	Company Wide	0	8	0	0	8	53.3%	48.4%
California Marine Diesel, Inc.	Manager/Prof	0	0	1	0	1	25.0%	
Denys Ammann	Technical/Sales	0	8	0	0	8	88.9%	
1490 Caspian Avenue	Clerical/Skilled	0	0	0	0	0	0.0%	
Long Beach, CA 90813	Semi/Unskilled	0	0	0	0	0	0.0%	
	Bay Area	0	0	0	0	0	0.0%	39.9%
310-714-0451	AA Plan on File: NA			Date of last contract with District:		3/15/2017		
	Co. Wide MSA: California			# Employees-Co. Wide:		15	Bay Area:	0
P Publicly Held Corporation	Company Wide	53	119	23	7	202	33.6%	42.4%
GE Oil & Gas Compression Systems, LLC	Manager/Prof	10	18	12	6	46	25.8%	
Kim Sutton	Technical/Sales	10	44	4	0	58	31.7%	
16250 Port Northwest	Clerical/Skilled	10	33	7	1	51	33.1%	
Houston, TX 77041	Semi/Unskilled	23	24	0	0	47	54.0%	
	Bay Area	0	0	0	0	0	0.0%	39.9%
281-809-1900	Co. Wide MSA: Texas			# Employees-Co. Wide:		602	Bay Area:	0

WM=White Male, WW=White Women, EM=Ethnic Minority (Ethnicities: B=Black, H=Hispanic, A/PI=Asian/Pacific Islander, and AI/AN=American Indian/Alaskan Native)

EBMUD

AGENDA NO. 4.
MEETING DATE May 9, 2017

TITLE **MOKELUMNE AQUEDUCT NO. 1 TEMPERATURE ANCHOR UPGRADE AT STATION 2505+50**

☒ MOTION ☐ RESOLUTION ☐ ORDINANCE

RECOMMENDED ACTION

Award a contract to the lowest responsive/responsible bidder, McGuire and Hester, in the amount of $2,314,580 for construction of Mokelumne Aqueduct No. 1 Temperature Anchor Upgrade at Station 2505+50 under Specification 2115.

SUMMARY

Work includes replacing the existing temperature anchor at Station 2505+50 to address ongoing settlement of Mokelumne Aqueduct No. 1 and to improve long-term system reliability and safety. An overview of this project was provided to the Board of Directors on April 11, 2017 as part of the third workshop for the biennial budget for FY18 and FY19.

DISCUSSION

An initial base survey of the District's aqueducts was initiated in 2010, when noticeable settling of Aqueduct No. 1 temperature anchors was first noted at several locations in the Delta. Following the retrofit of three temperature anchors in 2011 and 2012, annual surveys were started in 2014 and revealed that the Mokelumne Aqueduct No. 1 Temperature Anchor at Station 2505+50, located on Woodward Island in San Joaquin County (see attached map), had settled about four inches between 2010 and 2014. The next survey, which was completed in the fall of 2015, indicated that the temperature anchor at station 2505+50 had settled an additional four inches since July 2014, for a total settlement of over 8 inches since 2010. The settlement, which is caused by rotting of the original 1920's-vintage wood piles, would cause a failure of the aqueduct if not corrected.

This project will construct a new pile-supported concrete temperature anchor and strengthen the pipeline by adding stiffener plates to the underside of the pipe on either side of the failing anchor. It will also improve the condition of the existing access road by adding compacted aggregate base in order to maintain access during the wet weather season.

This project supports the District's Strategic Plan goal for Long-Term Infrastructure Investment.

Funds Available: FY16-17; CIP #1000810 Page 37	Budget Code: WSC\570\7999\2010460:39	
DEPARTMENT SUBMITTING Engineering and Construction	DEPARTMENT MANAGER or DIRECTOR Xavier J. Irias	APPROVED General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.

BID RESULTS

Bid documents were issued to 30 resource organizations, 17 prospective bidders, and advertised on the District's website. Three bids were received, ranging from $2,314,580 to $2,919,000. The bid summary is attached. The engineer's estimate for this work is $1,118,348. The significant difference between the engineer's estimate and the higher range of bids is due to the higher than estimated pile installation cost and the contractor's higher contingency for unforeseen conditions to perform demolition and construction near critical structures. Additionally, higher than estimated costs to provide barge access to bring in construction materials and equipment were not fully accounted for in the engineer's estimate. Furthermore, the current market conditions favor bidders because of the volume of work bidding state-wide at this time. In a competitive market, bids are generally higher and complex projects involving specialty work tend to be more vulnerable to adverse market trends.

The lowest responsive/responsible bidder McGuire and Hester is licensed to perform work in California and is not on the State Department of Industrial Relations (DIR) debarment list. McGuire and Hester and its listed subcontractors are properly registered with the State DIR. In the past five years, McGuire and Hester has not filed a Government Code Claim nor initiated any litigation against the District.

SUSTAINABILITY

Economic

This item is included in the FY17 budget under the Raw Water Studies and Improvements Project. This project includes funding to replace up to two temperature anchors every two years.

Replacing the anchor will arrest further settlement and will improve long-term economic reliability of the system by avoiding unplanned outages and costly emergency repairs.

Social

The completed P-035 and P-061 forms for the Contract Equity Program are attached.

Work under this contract is subject to the payment of current prevailing wages according to determinations for each craft as established by the Director of Industrial Relations of the State of California.

Local 444 was notified of this contract on July 13, 2016 and did not raise any specific issues related to this contract.

Environmental

A Notice of Exemption was posted with the San Joaquin County Clerk on May 10, 2016.

This project is designed to proceed without requiring an outage of Mokelumne Aqueduct No. 1 and conserves about 2 million gallons of water from the segment of the pipeline crossing Woodward Island, by not requiring dewatering of the aqueduct to complete the work.

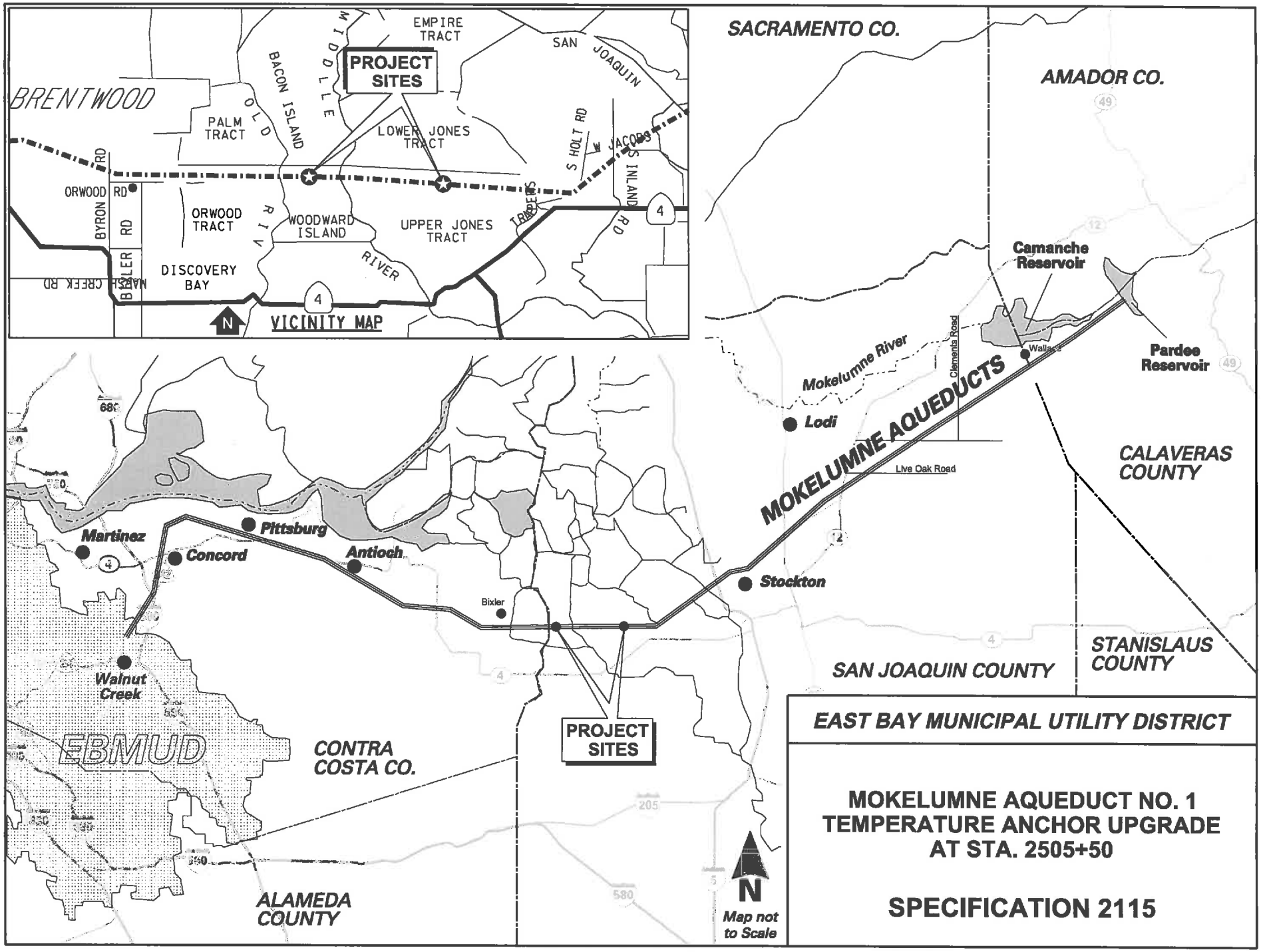
ALTERNATIVES

Do not proceed with the project. This alternative is not recommended because the ongoing temperature anchor settlement will eventually lead to a failure of Mokelumne Aqueduct No. 1 and possible damage to the Mokelumne Aqueducts No. 2 and No. 3 support structures. In addition, any unplanned discharge into the Delta may be a hazard to the agricultural land in the Delta and the adjacent waterways.

Perform the work with District forces. This alternative is not recommended because the scope and scale of the required work is beyond typical District staff duties and because allocating the necessary staff resources would preclude normal routine maintenance work.

Attachments:

Location Map
Bid Summary
P-035 – Contract Equity Program Summary
P-061 – Affirmative Action Summary



EAST BAY MUNICIPAL UTILITY DISTRICT

MOKELUMNE AQUEDUCT NO. 1 TEMPERATURE ANCHOR UPGRADE AT STA. 2505+50

SPECIFICATION 2115

EAST BAY MUNICIPAL UTILITY DISTRICT

SPECIFICATION 2115

MOKELUMNE AQUEDUCT NO. 1 TEMPERATURE ANCHOR UPGRADE

AT STA 2505+50

Bids Opened April 12, 2017

	BIDDER	TOTAL AMOUNT BID
1.	McGuire and Hester 9009 Railroad Ave. Oakland, CA 94603 (510) 632-7676	$2,314,580
2.	Sierra Mountain Construction, Inc. 13919 Mono Wy. Sonora, CA 95370 (209) 928-1900	$2,468,000
3.	Steve P. Rados 2002 E. McFadden Ave., Ste. 200 Santa Ana, CA 92705 (714) 835-4612	$2,919,000

Engineer's Estimate: $1,118,348

CONTRACT EQUITY PROGRAM SUMMARY (P-035)

EBMUD

This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

TITLE	DATE:
SPECIFICATION NO.: 2115 Mokelumne Aqueduct No. 1 Temperature Anchor Upgrade at STA 2505+50	April 20, 2017

CONTRACTOR:			PERCENTAGE OF CONTRACT DOLLARS		
McGuire and Hester Oakland, CA 94603	Local Business		Availability Group	Contracting Objectives	Participation
BID/PROPOSER'S PRICE:	FIRM'S OWNERSHIP		White Men	25%	100.0%
	Ethnicity	Gender	White Women	9%	0.0%
$2,314,580	White	Men	Ethnic Minorities	25%	0.0%

CONTRACT EQUITY PARTICIPATION

COMPANY NAME	ESTIMATED AMOUNT	ETHNICITY	GENDER		CONTRACTING PARTICIPATION						
			M	W	White-Men	White-Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreign
PRIME:											
McGuire and Hester	$1,160,600	White	X		50.1%						
SUBS:											
Foundation Constructors, Inc.	$767,500	White	X		33.2%						
Jeffco Painting and Coating, Inc.	$107,700	White	X		4.7%						
Camblin Steel Service, Inc.	$33,000	White	X		1.4%						
W.C. Maloney, Inc.	$245,780	White	X		10.6%						
TOTAL	$2,314,580				100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

CONTRACTOR'S WORKFORCE PROFILE (From P-025 Form)

	White Men	White Women	Ethnic Minorities	Total Employees
No. of Employees:	128	14	233	375
Percent of Total Employees:	34.1%	3.7%	62.1%	
MSA Labor Market %:	28.0%	23.6%	48.4%	
MSA Labor Market Location:	California			

COMMENTS

Contract Equity Participation - 100% White Men participation

Workforce Profile & Statement of Nondiscrimination Submitted	Good Faith Outreach Efforts Requirement Satisfied	Award Approval Recommended
NA	YES	

EBMUD

AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

This summarizes information provided by the contractor(s)' P-025 Form regarding their workforce.

Title: **Mokelumne Aqueduct No. 1 Temperature Anchor Upgrade at STA 2505+50**

Spec. No.: 2115

DATE: 4/20/2017

Ethnic Minority Percentages From U.S. Census Data	B	H	A/PI	AI/AN	TOTAL
National	10.5	10.7	3.7	0.7	27.3
9 Bay Area Counties	5.5	16.2	14.2	0.4	39.9
Alameda/CC Counties	10.7	15.6	15.4	0.5	46.2

R=Recmmd P=Prime S=Sub	Composition of Ownership	Company Name, Owner/Contact Person, Address, and Phone Number	Number of Ethnic Minority Employees	B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %
RP	WM: LBE	McGuire and Hester Bruce W. Daesking 9009 Railroad Avenue Oakland, CA 94603 510-632-7676	Company Wide	18	201	6	1	226	60.3%	48.4%
			Manager/Prof	1	9	1	0	11	15.1%	
			Technical/Sales	0	0	0	0	0	0.0%	
			Clerical/Skilled	12	77	4	1	94	54.7%	
			Semi/Unskilled	5	115	1	0	121	93.1%	
			Bay Area	0	0	0	0	0	0.0%	39.9%
			AA Plan on File:	NA		Date of last contract with District:			8/30/2016	
			Co. Wide MSA:	California		# Employees-Co. Wide:		375	Bay Area:	0
S	WM: LBE	Foundation Constructors, Inc. Jolynn Lang 81 Big Break Rd. Oakley, CA 94561 925-754-6633	Company Wide	11	20	2	1	34	30.6%	48.4%
			Manager/Prof	0	1	0	0	1	5.0%	
			Technical/Sales	0	0	0	0	0	0.0%	
			Clerical/Skilled	10	19	2	1	32	36.8%	
			Semi/Unskilled	1	0	0	0	1	100.0%	
			Bay Area	0	0	0	0	0	0.0%	3.0%
			Co. Wide MSA:	California		# Employees-Co. Wide:		111	Bay Area:	0
S	WM: SBE	Jeffco Painting and Coating Inc. Jacki Matejka 1260 Railroad Ave., Bldg. 750 Vallejo, CA 94592 707-562-1900	Company Wide	3	19	2	1	25	44.6%	39.9%
			Manager/Prof	0	0	0	0	0	0.0%	
			Technical/Sales	0	0	0	0	0	0.0%	
			Clerical/Skilled	3	16	2	1	22	52.4%	
			Semi/Unskilled	0	3	0	0	3	60.0%	
			Bay Area	3	19	2	1	25	44.6%	39.9%
			Co. Wide MSA:	9 Bay Area Counties		# Employees-Co. Wide:		56	Bay Area:	56
S	WM	Camblin Steel Mark Camblin 4175 Cincinnati Ave. Rocklin, CA 95765 916-644-1300	Company Wide	0	61	0	0	61	32.8%	48.4%
			Manager/Prof	0	0	0	0	0	0.0%	
			Technical/Sales	0	0	0	0	0	0.0%	
			Clerical/Skilled	0	61	0	0	0	0.0%	
			Semi/Unskilled	0	0	0	0	0	0.0%	
			Bay Area	0	0	0	0	0	0.0%	39.9%
			Co. Wide MSA:	California		# Employees-Co. Wide:		186	Bay Area:	0
S	WM: LBE	W.C. Maloney, Inc. W. Curtis Maloney 4020 Newton Rd. Stockton, CA 95205 209-942-1129	Company Wide	3	0	22	0	25	43.9%	48.4%
			Manager/Prof	0	0	0	0	0	0.0%	
			Technical/Sales	0	0	0	0	0	0.0%	
			Clerical/Skilled	0	0	0	0	0	0.0%	
			Semi/Unskilled	3	0	22	0	25	55.6%	
			Bay Area	3	0	22	0	25	43.9%	39.9%
			Co. Wide MSA:	California		# Employees-Co. Wide:		57	Bay Area:	57

WM=White Male, WW=White Women, EM=Ethnic Minority (Ethnicities: B=Black, H=Hispanic, A/PI=Asian/Pacific Islander, and AI/AN=American Indian/Alaskan Native)

EBMUD

AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

This summarizes information provided by the contractor(s)' P-025 Form regarding their workforce.

Title: **Mokelumne Aqueduct No. 1 Temperature Anchor Upgrade at STA 2505+50**

Spec. No.: 2115

DATE: 4/20/2017

Ethnic Minority Percentages From U.S. Census Data	B	H	A/PI	AI/AN	TOTAL
National	10.5	10.7	3.7	0.7	27.3
9 Bay Area Counties	5.5	16.2	14.2	0.4	39.9
Alameda/CC Counties	10.7	15.6	15.4	0.5	46.2

R=Recmmd
P=Prime
S=Sub

Composition of Ownership

Number of Ethnic Minority Employees

Company Name, Owner/Contact Person, Address, and Phone Number		B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %
P — EMM: H	Company Wide	0	75	0	0	75	100.0%	48.4%
Sierra Mountain Construction, Inc.	Manager/Prof	0	8	0	0	8	100.0%	
Mike Kambel	Technical/Sales	0	0	0	0	0	0.0%	
13919 Mono Way	Clerical/Skilled	0	67	0	0	67	100.0%	
Sonora, CA 95370	Semi/Unskilled	0	0	0	0	0	0.0%	
	Bay Area	0	0	0	0	0	0.0%	39.9%
209-928-1900	Co. Wide MSA:	California		# Employees-Co. Wide:		75	Bay Area:	0
P — WM	Company Wide	2	45	7	1	55	42.0%	48.4%
Steve P. Rados, Inc.	Manager/Prof	0	0	0	0	0	0.0%	
Stephen S. Rados	Technical/Sales	0	10	4	0	14	48.3%	
2002 E. McFadden Avenue, Ste. 200	Clerical/Skilled	0	28	3	1	32	48.5%	
Santa Ana, CA 92705	Semi/Unskilled	2	7	0	0	9	180.0%	
	Bay Area	0	0	0	0	0	0.0%	39.9%
714-835-4612	Co. Wide MSA:	California		# Employees-Co. Wide:		131	Bay Area:	0

WM=White Male, WW=White Women, EM=Ethnic Minority (Ethnicities: B=Black, H=Hispanic, A/PI=Asian/Pacific Islander, and AI/AN=American Indian/Alaskan Native)

EBMUD

AGENDA NO. 5.
MEETING DATE May 9, 2017

TITLE **PAVING, STRIPING, SEALING, CONCRETE REPAIR, AND OTHER RELATED SERVICES AMENDMENT**

☒ **MOTION** ☐ **RESOLUTION** ☐ **ORDINANCE**

RECOMMENDED ACTIONS

A. Authorize amendments to agreements previously awarded under Board Motion No. 008-14 dated January 14, 2014 to increase the estimated combined amount by $3,400,000 for paving, striping, sealing, concrete repair, and other related services beginning on or after May 9, 2017 through the remainder of the period ending December 31, 2019. Vendors awarded work under the original Board Motion remain the same and are listed below:

AJW Construction	Carone & Co., Inc.	MCK Services, Inc.
American Asphalt Repair	Cliff Swisher Custom Concrete	Morgan-Bonnano Development
Black Gold Paving & Sealing	Coastal Paving	O.C. Jones & Sons, Inc.
Bond Black Top, Inc.	County Paving Co., Inc.	Pacific General Engineering
Bruce Enterprises, Inc.	John W. Hertzig, Contractor	Ransome Co.
California Pavement Maintenance Company	JV Lucas Paving, Inc.	VSS-International
	MCE Corporation	Public Agencies

B. Authorize additional agreements with vendors that meet District standards to increase flexibility and ensure vendor availability. The Board of Directors will be notified of additional qualified vendors by means of the monthly report to the General Manager.

In awarding these contracts, the Board of Directors finds that this work cannot be satisfactorily performed under civil service.

SUMMARY

In repairing and replacing the pipeline distribution system, the District performs approximately 5,000 street and concrete excavations annually. Restoring these street and concrete excavations in accordance with city permit requirements includes replacing pavement and related services such as striping, sealing, and concrete. These contracts are required to meet peaks in workload and continue to meet a turnaround time of 30 days mandated by the cities. In addition, District-owned roadways and

Funds Available: FY17		Budget Code: WWC, WWO, WSC & WSO/5296/5311
DEPARTMENT SUBMITTING Maintenance and Construction	DEPARTMENT MANAGER or DIRECTOR Clifford C. Chan	APPROVED General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.

facilities are routinely paved by contractors under this authorization. This item was discussed at the Finance/Administration Committee on November 22, 2016.

DISCUSSION

While approximately 98 percent of paving and concrete orders are accomplished with District forces, contract paving services are used to meet peek workloads. The 2014 original request of $1,000,000 per year was estimated based on usage experienced since 2008, including the economic downturn when reduced operating activity was occurring. In the past several years, the use of contract funds has increased due to an increase in production within pipeline and paving, service yards, and meter maintenance. Additionally, the Wastewater Department has encountered unique paving jobs that were not anticipated in the original authorization.

These contract resources supplement District crews to ensure compliance with the 30-day turnaround time required by cities. The authorized funds are also used to participate in joint paving projects with local agencies. Advantages to joint projects include potential cost savings, transfer of responsibility to the infrastructure owner for the long-term pavement performance, and streamlining of contract management. At the present time, the District has no internal capability for pavement striping, marking, and slurry seal application work, as the total volume of work has historically been insignificant relative to the overall paving operation.

On May 24, 2016, the Board authorized $1,000,000 to fund these services for one year. The authorization for additional funds will fund contract paving and concrete projects through December 1, 2019. The concrete section has experienced staff absences resulting in an increase in the backlog of concrete orders; the increase in the annual dollar amount will be utilized to reduce the backlog and address the 30-day turnaround requirements, and anticipated participation in joint paving projects with cities and counties. This work supports the Strategic Plan goal for Long-Term Infrastructure Investment.

SERVICE PROVIDER SELECTION

The District requested RFQs from 35 vendors, and 19 provided the required submittals and met the minimum performance requirements.

Vendors will be selected from the list on a rotational basis except in the cases where the estimated cost of the individual job exceeds $10,000. In those cases, at least three competitive quotes will be obtained from vendors on the qualified list. The job will be given to the vendor with the least-cost quote. Additional vendors may be added as the need arises to best utilize vendors working at adjacent jobsites or vendors providing services to the public agency where the work may be located. Vendors performing street work for others over District trenches may be utilized to perform final paving. This type of contract has been effective in managing the District's workload and providing timely service.

SUSTAINABILITY

Economic

Funds are included in the FY17 budget and have been requested in the proposed FY18/19 budget. The majority of the selected vendors are local small businesses whose employment helps the local economy.

Social

The completed P-035 and P-061 forms for the Contract Equity Program are attached. The use of paving, striping, sealing, concrete repair and other services keeps pipeline production and repair moving, thus reducing service outage and replacement impacts to our customers.

This amendment was discussed with Local 444 on January 5 and April 5, 2017, and they were notified in writing on April 7, 2017. They were notified in writing on March 10, 2017 regarding the work for the Wastewater Department . Local 444 did not raise any specific issues related to either notice.

Environmental

The use of paving, striping, sealing, concrete repair and other services helps to maintain efficient main break repair and replacement projects, and reduces impacts to local environments around District jobsites.

ALTERNATIVES

Do not contract for paving and concrete services and increase staffing. This alternative is not recommended as these contracts are designed to help the District maintain the permit required 30-day turnaround times for paving and concrete work during peak demand periods and to mitigate a spike in the backlog during inclement weather periods when no asphalt is available. The District is working on filling positions, and this process takes time.

Issue a new RFQ for a new five year period. This alternative is not recommended as the District already has productive agreements in place with vendors and cities which may not be replicated under a new RFQ. This alternative would also affect the District's ability to provide opportunities to local Small Business Enterprise companies as only the larger companies would be positioned to compete, which would drive prices higher due to the smaller number of companies that might be considered responsive.

Attachments:

P-035 CEP Summary
P-061 Affirmative Action Summary

CONTRACT EQUITY PROGRAM SUMMARY (P-035)

EBMUD

This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

TITLE	DATE:
General Services Agreement - Amendment Paving, Striping, Sealing, Concrete Repair and Other Related Services Amendment	March 1, 2017

CONTRACTOR:	PERCENTAGE OF CONTRACT DOLLARS		
Various Firms (See Below)	**Availability Group**	**Contracting Objectives**	**Participation**
BID/PROPOSER'S PRICE: — **FIRM'S OWNERSHIP**	**White Men**	**25%**	**73.7%**
Ethnicity / **Gender**	**White Women**	**6%**	**5.3%**
$4,400,000 * — See Below / See Below	**Ethnic Minorities**	**25%**	**21.1%**

CONTRACT EQUITY PARTICIPATION

COMPANY NAME	ESTIMATED AMOUNT	ETHNICITY	GENDER		CONTRACTING PARTICIPATION						
			M	W	White-Men	White-Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreign
PRIMES:											
AJW Construction	$231,579	Hispanic	X				5.3%				
American Asphalt Repair and Resurfacing	$231,579	White	X		5.3%						
Black Gold Paving & Sealing	$231,579	White	X		5.3%						
Bond Black Top, Inc.	$231,579	White		X		5.3%					
Bruce Enterprises, Inc.	$231,579	White	X		5.3%						
California Pavement Maintenance Co., Inc.	$231,579	White	X		5.3%						
Carone & Co., Inc.	$231,579	White	X		5.3%						
Cliff Swisher Customer Concrete	$231,579	White	X		5.3%						
Coastal Paving, Inc.	$231,579	Hispanic	X				5.3%				
County Paving Co., Inc.	$231,579	White	X		5.3%						
John W. Hertzig	$231,579	White	X		5.3%						
JV Lucas Paving, Inc.	$231,579	White	X		5.3%						
MCE Corporation	$231,579	White	X		5.3%						
MCK Services, inc.	$231,579	White	X		5.3%						
Morgan Bonanno Development, Inc.	$231,579	White	X		5.3%						
O.C. Jones & Sons, Inc.	$231,579	Hispanic	X				5.3%				
Pacific General Engineering	$231,579	Hispanic	X				5.3%				
Ransome Company	$231,579	White	X		5.3%						
VSS-International	$231,579	White	X		5.3%						
TOTAL	$4,400,000				73.7%	5.3%	21.1%	0.0%	0.0%	0.0%	0.0%

CONTRACTOR'S WORKFORCE PROFILE (From P-025 Form)

	White Men	White Women	Ethnic Minorities	Total Employees
No. of Employees:	See attached Form P-061			
Percent of Total Employees:				
MSA Labor Market %:				
MSA Labor Market Location:				

COMMENTS

Contract Equity Participation - 73.7% White Men participation, 5.3% White Women participation and 21.1% Ethnic Minority participation.

*$4,400,000 = $1,000,000 (Original) + $3,400,000 (Amendment)

Workforce Profile & Statement of Nondiscrimination Submitted	Good Faith Outreach Efforts Requirement Satisfied	Award Approval Recommended
NA	NA	

EBMUD

AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

This summarizes information provided by the contractor(s)' P-025 Form regarding their workforce.

Title: **Paving, Striping, Sealing, Concrete Repair and Other Related Services Amendment - Three-Year Contract**

General Services Agreement

DATE: 3/1/2017

Ethnic Minority Percentages From U.S. Census Data	B	H	A/PI	AI/AN	TOTAL
National	10.5	10.7	3.7	0.7	27.3
9 Bay Area Counties	5.5	16.2	14.2	0.4	39.9
Alameda/CC Counties	10.7	15.6	15.4	0.5	46.2

R=Recmmd
P=Prime
S=Sub

Composition of Ownership

Company Name, Owner/Contact Person, Address, and Phone Number

Number of Ethnic Minority Employees

		B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %
RP — EMM: H - LBE	Company Wide	0	2	0	0	2	14.3%	39.9%
AJW Construction	Manager/Prof	0	0	0	0	0	0.0%	
Alfonso Quintor	Technical/Sales	0	0	0	0	0	0.0%	
966 81st Avenue	Clerical/Skilled	0	0	0	0	0	0.0%	
Oakland, CA 94621	Semi/Unskilled	0	2	0	0	0	22.2%	
	Bay Area	0	2	0	0	2	14.3%	39.9%
510-568-2300	AA Plan on File: NA	Date of last contract with District: NA						
	Co. Wide MSA: Oakland	# Employees-Co. Wide: 14					Bay Area: 14	
RP — WM: LBE	Company Wide	0	79	2	0	81	72.3%	39.9%
American Asphalt Repair and Resurfacing, Co.	Manager/Prof	0	1	0	0	1	33.3%	
Allan A. Henderson	Technical/Sales	0	1	0	0	1	11.1%	
24200 Clawiter Road	Clerical/Skilled	0	52	2	0	54	77.1%	
Hayward, CA 94545	Semi/Unskilled	0	25	0	0	25	83.3%	
	Bay Area	0	79	2	0	81	72.3%	39.9%
510-723-0280	Co. Wide MSA: 9 Bay Area Counties	# Employees-Co. Wide: 112					Bay Area: 112	
RP — WM: L/SBE	Company Wide	0	0	0	0	0	0.0%	47.4%
Black Gold Paving & Sealing	Manager/Prof	0	0	0	0	0	0.0%	
Glenn Dragomanovich	Technical/Sales	0	0	0	0	0	0.0%	
141 Truck Road	Clerical/Skilled	0	0	0	0	0	0.0%	
San Andreas, CA 95219	Semi/Unskilled	0	0	0	0	0	0.0%	
	Bay Area	0	0	0	0	0	0.0%	39.9%
209-754-4168	Co. Wide MSA: Stockton-Lodi	# Employees-Co. Wide: 6					Bay Area: 6	
RP — WW:: LBE	Company Wide	0	14	0	0	14	66.7%	39.9%
Bond Blacktop, Inc.	Manager/Prof	0	2	1	0	3	60.0%	
Debbie Dillon	Technical/Sales	0	0	0	0	0	0.0%	
27607 Industrial Blvd.	Clerical/Skilled	0	2	0	0	2	33.3%	
Hayward, CA 94587	Semi/Unskilled	0	10	0	0	10	100.0%	
	Bay Area	0	14	1	0	15	71.4%	39.9%
510-783-9909	Co. Wide MSA: Alameda	# Employees-Co. Wide: 21					Bay Area: 21	
RP — WM	Company Wide	0	2	0	0	2	14.3%	39.9%
Bruce Enterprises	Manager/Prof	0	0	0	0	0	0.0%	
Brian Bruce	Technical/Sales	0	0	0	0	0	0.0%	
P.O. Box 839	Clerical/Skilled	0	0	0	0	0	0.0%	
Petaluma, CA 94953	Semi/Unskilled	0	2	0	0	0	22.2%	
	Bay Area	0	2	0	0	2	14.3%	39.9%
707-751-9688	Co. Wide MSA: 9 Bay Area Counties	# Employees-Co. Wide: 14					Bay Area: 14	
RP — WM	Company Wide	0	16	7	0	23	34.3%	31.6%
California Pavement Co., Inc.	Manager/Prof	0	2	1	0	3	25.0%	
Gordon Rayner	Technical/Sales	0	0	0	0	0	0.0%	
9390 Elder Creek Road	Clerical/Skilled	0	11	5	0	16	41.0%	
Sacramento, CA 95829	Semi/Unskilled	0	3	1	0	4	44.4%	
	Bay Area	0	0	0	0	0	0.0%	39.9%
916-381-8033	Co. Wide MSA: Sacramento	# Employees-Co. Wide: 67					Bay Area: 67	

WM=White Male, WW=White Women, EM=Ethnic Minority (Ethnicities: B=Black, H=Hispanic, A/PI=Asian/Pacific Islander, and AI/AN=American Indian/Alaskan Native)

EBMUD

AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

This summarizes information provided by the contractor(s)' P-025 Form regarding their workforce.

Title:	Paving, Striping, Sealing, Concrete Repair and Other Related Services Amendment - Three-Year Contract	Ethnic Minority Percentages From U.S. Census Data	B	H	A/PI	AI/AN	TOTAL
		National	10.5	10.7	3.7	0.7	27.3
General Services Agreement	DATE: 3/1/2017	9 Bay Area Counties	5.5	16.2	14.2	0.4	39.9
		Alameda/CC Counties	10.7	15.6	15.4	0.5	46.2

R=Recmmd P=Prime S=Sub	Composition of Ownership	Number of Ethnic Minority Employees							
Company Name, Owner/Contact Person, Address, and Phone Number			B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %
RP	WM: LBE	Company Wide	0	3	1	0	4	66.7%	47.8%
Carone and Company, Inc.		Manager/Prof	0	2	1	0	3	75.0%	
Richard Lloyd Carone		Technical/Sales	0	0	0	0	0	0.0%	
5009 Forni Drive, Suite A		Clerical/Skilled	0	0	0	0	0	0.0%	
Concord, CA 94520		Semi/Unskilled	0	1	0	0	1	50.0%	
		Bay Area	0	3	1	0	4	66.7%	39.9%
925-602-8800		Co. Wide MSA:	9 Bay Area Counties		# Employees-Co. Wide:		6	Bay Area:	6
RP	WM: L/SBE	Company Wide	0	10	0	0	10	76.9%	39.9%
Cliff Swisher Custom Conrete, Inc.		Manager/Prof	0	0	0	0	0	0.0%	
Cliff Swisher		Technical/Sales	0	0	0	0	0	0.0%	
1918 Arbol Grande Ct.		Clerical/Skilled	0	0	0	0	0	0.0%	
Walnut Creek, CA 94595		Semi/Unskilled	0	10	0	0	10	100.0%	
		Bay Area	0	10	0	0	10	76.9%	39.9%
925-946-0956		Co. Wide MSA:	9 Bay Area Counties		# Employees-Co. Wide:		13	Bay Area:	13
RP	WM: L/SBE	Company Wide	0	0	0	0	0	0.0%	47.4%
Coastal Paving, Inc.		Manager/Prof	0	0	0	0	0	0.0%	
John W. Hertzig		Technical/Sales	0	0	0	0	0	0.0%	
9267 E. Hwy 26		Clerical/Skilled	0	0	0	0	0	0.0%	
Mokelumne Hill, CA 95245		Semi/Unskilled	0	0	0	0	0	0.0%	
		Bay Area	0	0	0	0	0	0.0%	39.9%
209-286-1234		Co. Wide MSA:	Stockton-Lodi		# Employees-Co. Wide:		7	Bay Area:	7
RP	WM: LBE	Company Wide	0	2	0	0	2	33.3%	39.9%
County Paving Co., Inc.		Manager/Prof	0	0	0	0	0	0.0%	
Steven M. Kaiser		Technical/Sales	0	0	0	0	0	0.0%	
1823 Phillips Lane		Clerical/Skilled	0	0	0	0	0	0.0%	
Antioch, CA 94509		Semi/Unskilled	0	2	0	0	2	50.0%	
		Bay Area	0	0	0	0	0	0.0%	39.9%
925-756-7454		Co. Wide MSA:	9 Bay Area Counties		# Employees-Co. Wide:		6	Bay Area:	6
RP	WM: L/SBE	Company Wide	0	0	0	0	0	0.0%	47.4%
John W. Hertzig		Manager/Prof	0	0	0	0	0	0.0%	
John W. Hertzig		Technical/Sales	0	0	0	0	0	0.0%	
9267 E. Hwy 26		Clerical/Skilled	0	0	0	0	0	0.0%	
Mokelumne Hill, CA 95245		Semi/Unskilled	0	0	0	0	0	0.0%	
		Bay Area	0	0	0	0	0	0.0%	39.9%
209-286-1234		Co. Wide MSA:	Stockton-Lodi		# Employees-Co. Wide:		7	Bay Area:	7
RP	WM: L/SBE	Company Wide	0	10	0	0	10	71.4%	39.9%
JV Lucas Paving, Inc.		Manager/Prof	0	1	0	0	1	33.3%	
James Lucas		Technical/Sales	0	0	0	0	0	0.0%	
251 Lafayette Circle, Suite 230		Clerical/Skilled	0	0	0	0	0	0.0%	
Lafayette, CA 94549		Semi/Unskilled	0	9	0	0	9	100.0%	
		Bay Area	0	10	0	0	10	71.4%	39.9%
925-283-8027		Co. Wide MSA:	9 Bay Area Counties		# Employees-Co. Wide:		14	Bay Area:	14

WM=White Male, WW=White Women, EM=Ethnic Minority (Ethnicities: B=Black, H=Hispanic, A/PI=Asian/Pacific Islander, and AI/AN=American Indian/Alaskan Native)

EBMUD

AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

This summarizes information provided by the contractor(s)' P-025 Form regarding their workforce.

Title:	Paving, Striping, Sealing, Concrete Repair and Other Related Services Amendment - Three-Year Contract	Ethnic Minority Percentages From U.S. Census Data	B	H	A/PI	AI/AN	TOTAL
		National	10.5	10.7	3.7	0.7	27.3
General Services Agreement	DATE: 3/1/2017	9 Bay Area Counties	5.5	16.2	14.2	0.4	39.9
		Alameda/CC Counties	10.7	15.6	15.4	0.5	46.2

R=Recmmd P=Prime S=Sub	Composition of Ownership	Number of Ethnic Minority Employees							
Company Name, Owner/Contact Person, Address, and Phone Number			B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %
RP	WM: LBE	Company Wide	5	58	3	0	66	64.1%	39.9%
MCE Corporation		Manager/Prof	0	0	2	0	2	15.4%	
Gregory Jay Haney		Technical/Sales	0	0	0	0	0	0.0%	
6515 Trinity Court		Clerical/Skilled	0	0	0	0	0	0.0%	
Dublin, CA 94568		Semi/Unskilled	5	58	1	0	64	74.4%	
		Bay Area	5	58	3	0	66	64.1%	39.9%
925-957-9200		Co. Wide MSA:	9 Bay Area Counties		# Employees-Co. Wide:		103	Bay Area:	103
RP	WM: LBE	Company Wide	1	35	0	0	36	61.0%	39.9%
MCK Services, Inc.		Manager/Prof	0	0	0	0	0	0.0%	
Mark Hazen		Technical/Sales	0	0	0	0	0	0.0%	
865 Howe Road		Clerical/Skilled	1	15	0	0	16	48.5%	
Martinez, CA 94553		Semi/Unskilled	0	20	0	0	20	90.9%	
		Bay Area	1	35	0	0	36	61.0%	39.9%
925-957-9200		Co. Wide MSA:	9 Bay Area Counties		# Employees-Co. Wide:		59	Bay Area:	59
RP	WM: LBE	Company Wide	0	4	0	0	4	33.3%	46.2%
Morgan Bonanno Development, Inc.		Manager/Prof	0	0	0	0	0	0.0%	
Mike Bonanno		Technical/Sales	0	0	0	0	0	0.0%	
905 Howe road		Clerical/Skilled	0	0	0	0	0	0.0%	
Martinez, CA 94553		Semi/Unskilled	0	4	0	0	4	66.7%	
		Bay Area	0	4	0	0	4	33.3%	39.9%
925-820-2558		Co. Wide MSA:	Alameda/Contra Costa		# Employees-Co. Wide:		12	Bay Area:	12
RP	WM: LBE	Company Wide	16	89	9	5	119	53.4%	39.9%
O.C. Jone & Sons, Inc.		Manager/Prof	1	4	1	0	6	16.2%	
Barbara Jones		Technical/Sales	0	0	0	0	0	0.0%	
1520 Fourth Street		Clerical/Skilled	9	26	8	5	48	41.0%	
Berkeley, CA 94710		Semi/Unskilled	6	59	0	0	65	94.2%	
		Bay Area	16	89	9	5	119	53.4%	39.9%
510-526-3424		Co. Wide MSA:	9 Bay Area Counties		# Employees-Co. Wide:		223	Bay Area:	223
RP	EMM: H - L/SBE	Company Wide	1	3	0	0	4	66.7%	38.5%
Pacific General Engineering		Manager/Prof	0	1	0	0	1	50.0%	
James D. Akridge		Technical/Sales	1	0	0	0	1	100.0%	
31 Garden Court		Clerical/Skilled	0	0	0	0	0	0.0%	
Walnut Creek, CA 94595		Semi/Unskilled	0	2	0	0	2	100.0%	
		Bay Area	1	3	0	0	4	66.7%	39.9%
925-932-2533		Co. Wide MSA:	Contra Costa		# Employees-Co. Wide:		3	Bay Area:	6
RP	WM: L/SBE	Company Wide	2	44	0	0	46	78.0%	39.9%
Ransome Company		Manager/Prof	1	3	0	0	4	44.4%	
Myles Oberto		Technical/Sales	0	1	0	0	1	50.0%	
1903 Williams Street		Clerical/Skilled	1	20	0	0	21	77.8%	
San Leandro, CA 94577		Semi/Unskilled	0	20	0	0	20	95.2%	
		Bay Area	2	20	0	0	22	37.3%	39.9%
510-686-9900		Co. Wide MSA:	9 Bay Area Counties		# Employees-Co. Wide:		59	Bay Area:	59

WM=White Male, WW=White Women, EM=Ethnic Minority (Ethnicities: B=Black, H=Hispanic, A/PI=Asian/Pacific Islander, and AI/AN=American Indian/Alaskan Native)

EBMUD

AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

This summarizes information provided by the contractor(s)' P-025 Form regarding their workforce.

Title: **Paving, Striping, Sealing, Concrete Repair and Other Related Services Amendment - Three-Year Contract**

General Services Agreement

DATE: 3/1/2017

Ethnic Minority Percentages From U.S. Census Data	B	H	A/PI	AI/AN	TOTAL
National	10.5	10.7	3.7	0.7	27.3
9 Bay Area Counties	5.5	16.2	14.2	0.4	39.9
Alameda/CC Counties	10.7	15.6	15.4	0.5	46.2

R=Recmmd P=Prime	Composition of Ownership	Company Name, Owner/Contact Person, Address, and Phone Number	Number of Ethnic Minority Employees	B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %
RP	WM	VSS International, Inc.	Company Wide	8	57	4	0	69	40.8%	39.9%
		Jeff Roberts	Manager/Prof	2	4	0	0	6	120.0%	
		3785 Channel Drive	Technical/Sales	0	3	2	0	5	NA	
		West Sacramento, CA 95691	Clerical/Skilled	0	0	0	0	0	0.0%	
			Semi/Unskilled	6	50	2	0	58	527.3%	
			Bay Area	-	-	-	-	0	0.0%	39.9%
		916-37-1500	Co. Wide MSA:	9 Bay Area Counties		# Employees-Co. Wide:		169	Bay Area:	33

WM=White Male, WW=White Women, EM=Ethnic Minority (Ethnicities: B=Black, H=Hispanic, A/PI=Asian/Pacific Islander, and AI/AN=American Indian/Alaskan Native)

EBMUD

AGENDA NO. 6.
MEETING DATE May 9, 2017

TITLE **AUTHORIZE CONTINUED EMPLOYMENT OF BARG, COFFIN, LEWIS & TRAPP, LLP, FOR SPECIALIZED LEGAL SERVICES**

☑ **MOTION** ☐ **RESOLUTION** ☐ **ORDINANCE**

RECOMMENDED ACTION

Authorize the Office of General Counsel to continue employment of the law firm of Barg, Coffin, Lewis & Trapp, LLP, for specialized legal services related to environmental issues and regulatory compliance in an amount not to exceed $125,000.

DISCUSSION

The firm of Barg, Coffin, Lewis & Trapp, LLP, has been retained to assist the Office of General Counsel in environmental and regulatory issues and litigation. The Office of General Counsel is now requesting authorization for additional funds for services described in a separate confidential attorney-client privileged memorandum to the Board of Directors.

SUSTAINABILITY

Economic

Sufficient monies have been budgeted to the Office of General Counsel's budget for fiscal year 2017 for this request for specialized legal assistance.

Social

The completed P-035 and P-061 forms for the Contract Equity Program are attached.

Attachments

P-035 – Contract Equity Program Summary
P-061 – Affirmative Action Summary

Funds Available: FY 2017		Budget Code: WS0 130 8511 5231
DEPARTMENT SUBMITTING Office of General Counsel	DEPARTMENT MANAGER or DIRECTOR Craig S. Spencer, General Counsel	APPROVED General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.

BDI_PS_0816

CONTRACT EQUITY PROGRAM SUMMARY (P-035)

EBMUD

This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

TITLE	DATE:
Professional Services Agreement Authorize Continued Employment of Barg, Coffin, Lewis & Trapp, LLP for Specialized Legal Services	April 28, 2017

CONTRACTOR:			PERCENTAGE OF CONTRACT DOLLARS		
Barg, Coffin, Lewis & Trapp, LLP San Francisco, CA 94104	Small Business		Availability Group	Contracting Objectives	Participation
BID/PROPOSER'S PRICE:	FIRM'S OWNERSHIP		White Men	25%	100.0%
	Ethnicity	Gender	White Women	6%	0.0%
$125,000 *	White	Men	Ethnic Minorities	25%	0.0%

CONTRACT EQUITY PARTICIPATION

COMPANY NAME	ESTIMATED AMOUNT	ETHNICITY	GENDER		CONTRACTING PARTICIPATION						
			M	W	White-Men	White-Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreign
PRIME: Barg, Coffin, Lewis & Trapp, LLP	$125,000	White	X		100.0%						
SUBS: None											
TOTAL	$125,000				100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

CONTRACTOR'S WORKFORCE PROFILE (From P-025 Form)

	White Men	White Women	Ethnic Minorities	Total Employees
No. of Employees:	3	5	5	13
Percent of Total Employees:	23.1%	38.5%	38.5%	
MSA Labor Market %:	30.8%	25.1%	44.0%	
MSA Labor Market Location:	San Francisco			

COMMENTS

Contract Equity Participation - 100.0% White Men participation

*Total Not to Exceed $125,000

Workforce Profile & Statement of Nondiscrimination Submitted	Good Faith Outreach Efforts Requirement Satisfied	Award Approval Recommended
NA	NA	

EBMUD

AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

This summarizes information provided by the contractor(s)' P-025 Form regarding their workforce.

Title: **Authorize Continued Employment of Barg, Coffin, Lewis & Trapp, LLP for Specialized Legal Services**

Professional Services Agreement

DATE: 4/28/2017

Ethnic Minority Percentages From U.S. Census Data	B	H	A/PI	AI/AN	TOTAL
National	10.5	10.7	3.7	0.7	27.3
9 Bay Area Counties	5.5	16.2	14.2	0.4	39.9
Alameda/CC Counties	10.7	15.6	15.4	0.5	46.2

R=Recmmd
P=Prime
S=Sub

Composition of Ownership

Number of Ethnic Minority Employees

Company Name, Owner/Contact Person, Address, and Phone Number		B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %
RP WM: SBE	Company Wide	0	0	4	0	4	30.8%	48.3%
Barg, Coffin, Lewis & Trapp, LLP	Manager/Prof	1	0	0	0	1	20.0%	
Carol McDermott	Technical/Sales	0	0	0	0	0	0.0%	
350 California Street, 22nd Floor	Clerical/Skilled	0	0	4	0	0	0.0%	
San Francisco, CA 94104	Semi/Unskilled	0	0	0	0	0	0.0%	
	Bay Area	0	0	0	0	0	0.0%	39.9%
415-228-5400	AA Plan on File:	NA		Date of last contract with District:			6/21/2016	
	Co. Wide MSA:	San Francisco		# Employees-Co. Wide:		13	Bay Area:	0

WM=White Male, WW=White Women, EM=Ethnic Minority (Ethnicities: B=Black, H=Hispanic, A/PI=Asian/Pacific Islander, and AI/AN=American Indian/Alaskan Native)

EBMUD

AGENDA NO. 7.
MEETING DATE May 9, 2017

TITLE **ASSIGNMENT OF CONTRACTS FOR SCADA SYSTEM UPGRADE FROM TELVENT USA, LLC TO SCHNEIDER ELECTRIC SYSTEMS USA, INC.**

☒ **MOTION** ☐ **RESOLUTION** ☐ **ORDINANCE**

RECOMMENDED ACTION

Approve the assignment of contracts for the Supervisory Control and Data Acquisition (SCADA) System Upgrade, and OP/NET System Maintenance Support and Improvement, originally awarded under Board Motion Nos.166-15 and 135-12, respectively, from Telvent USA, LLC to Schneider Electric Systems USA, Inc.

SUMMARY

Schneider Electric Systems USA, Inc. purchased Telvent USA, LLC. In April 2017, Schneider Electric Systems USA, Inc. assumed responsibility for all obligations and liabilities of Telvent USA, LLC. Performance of the District's two existing contracts with Telvent USA, LLC will not be materially affected by the contract assignment. The remaining value on the SCADA System Upgrade project is approximately $1,280,000 for 3 months, and the remaining value on the OP/NET System Maintenance Support and Improvement contract is approximately $38,000 for 6 months.

DISCUSSION

The District has two contracts with Telvent USA, LLC, one to upgrade the SCADA system and the other to provide ongoing maintenance and support of the SCADA system. The SCADA system provides process monitoring and control for over 300 power production, water supply, and treatment and distribution facilities. The SCADA system was originally commissioned in 1989. The original system was upgraded to OASyS NT 6.2 in the early 2000s and was upgraded again in 2007 to the OASyS DNA 7.4 system. The OASyS DNA version 7.4 is currently being upgraded to version 7.7. Contracting for these services supports the District's Strategic Plan goal for Long-Term Infrastructure Investment.

The upgrade to version 7.7 will be completed by July 2017 and includes new software and hardware, an upgraded operating system, improved communication protocols, an enhanced user-interface, and improved security to address cybersecurity concerns. The District has also contracted with Telvent USA,

Funds Available: FY17	Budget Code: WSC/739/2010928/5312	
DEPARTMENT SUBMITTING Maintenance and Construction	DEPARTMENT MANAGER or DIRECTOR Clifford C. Chan	APPROVED General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.

LLC to provide ongoing maintenance support. The current maintenance and support contract continues until October 31, 2017.

SUSTAINABILITY

Economic

There is no fiscal impact as a result of this assignment. Schneider Electric Systems USA, Inc. will continue to provide the products and services as required in the previously approved contracts with Telvent USA, LLC.

Social

Upgrading and maintaining the SCADA system will ensure the District can operate the water system to meet or exceed all water quality goals.

The completed P-035 and P-061 forms for the Contract Equity Program are attached.

Environmental

Upgrading and maintaining the SCADA system will ensure the District can operate the water system to meet or exceed all environmental goals.

ALTERNATIVES

Terminate the current contract and rebid. This alternative is not recommended due to the additional costs of the contract re-bid process which could possibly yield the same awarded bidder, increase pricing, and possibly disrupt operations.

Purchase the products and services on the open market. This alternative is not recommended as most companies will not offer the product or services out of contract via the open market on an "as needed" basis.

Attachments:

P-035 – Contract Equity Program Summary
P-061 – Affirmative Action Summary

CONTRACT EQUITY PROGRAM SUMMARY (P-035)

EBMUD

This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

TITLE	DATE:
Professional Services Agreement Assignment to Contracts for SCADA System Upgrade	April 18, 2017

CONTRACTOR:			PERCENTAGE OF CONTRACT DOLLARS		
Schneider Electric Systems USA, Inc.* Foxboro, MA 02035			**Availability Group**	**Contracting Objectives**	**Participation**
BID/PROPOSER'S PRICE:	**FIRM'S OWNERSHIP**		**White Men**	**25%**	**0.0%**
	Ethnicity	**Gender**	**White Women**	**6%**	**0.0%**
$3,000,000	Foreign		**Ethnic Minorities**	**25%**	**0.0%**

CONTRACT EQUITY PARTICIPATION

COMPANY NAME	ESTIMATED AMOUNT	ETHNICITY	GENDER		CONTRACTING PARTICIPATION						
			M	W	White-Men	White-Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreign
PRIME: Schneider Electric Systems USA, Inc. ***SUBS:*** None	$3,000,000	Foreign									100.0%
TOTAL	$3,000,000				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

CONTRACTOR'S WORKFORCE PROFILE (From P-025 Form)

	White Men	**White Women**	**Ethnic Minorities**	**Total Employees**
No. of Employees:	9,987	2,917	2,811	15,715
Percent of Total Employees:	63.6%	18.6%	17.9%	
MSA Labor Market %:	44.0%	40.6%	15.3%	
MSA Labor Market Location:	Massachusetts			

COMMENTS

Contract Equity Participation - Zero Contract Equity participation since firm is a foreign-owned corporation.

*Previous Firm - Telvent USA, LLC (Telvent)

Workforce Profile & Statement of Nondiscrimination Submitted	Good Faith Outreach Efforts Requirement Satisfied	Award Approval Recommended
NA	NA	Joy Hague on behalf of Beverly Johnson

EBMUD

AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

This summarizes information provided by the contractor(s)' P-025 Form regarding their workforce.

Title: **Assignment to Contracts for SCADA System Upgrade**

Professional Services Agreement

DATE: 4/18/2017

Ethnic Minority Percentages From U.S. Census Data	B	H	A/PI	AI/AN	TOTAL
National	10.5	10.7	3.7	0.7	27.3
9 Bay Area Counties	5.5	16.2	14.2	0.4	39.9
Alameda/CC Counties	10.7	15.6	15.4	0.5	46.2

R=Recmmd P=Prime S=Sub	Composition of Ownership	Company Name, Owner/Contact Person, Address, and Phone Number	Number of Ethnic Minority Employees						
			B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %
RP	Foreign	Company Wide	531	1,063	1,059	0	2,653	16.9%	15.3%
Schneider Electric Systems USA, Inc.		Manager/Prof	279	592	867	0	1,738	16.0%	
Gus Hernandez		Technical/Sales	120	376	142	0	0	0.0%	
38 Neponset Avenue		Clerical/Skilled	91	91	48	0	0	0.0%	
Foxboro, MA 02035		Semi/Unskilled	41	4	2	0	0	0.0%	
		Bay Area	0	0	0	0	0	0.0%	39.9%
714-445-7440		AA Plan on File:	NA		Date of last contract with District:		5/20/2013		
		Co. Wide MSA:	Massachusetts		# Employees-Co. Wide:		15,715	Bay Area:	0

WM=White Male, WW=White Women, EM=Ethnic Minority (Ethnicities: B=Black, H=Hispanic, A/PI=Asian/Pacific Islander, and AI/AN=American Indian/Alaskan Native)

EBMUD

AGENDA NO. 8.
MEETING DATE May 9, 2017

TITLE **BAY AREA BIOSOLIDS TO ENERGY COALITION JOINT EXERCISE OF POWERS AGREEMENT**

☒ MOTION ☐ RESOLUTION ☐ ORDINANCE

RECOMMENDED ACTION

Authorize the District to become a party to the Bay Area Biosolids to Energy Coalition Joint Exercise of Powers Agreement.

SUMMARY

The Bay Area Biosolids to Energy Coalition (Coalition) currently comprises 19 publicly-owned treatment works in the Bay Area with a mission to develop beneficial biosolids resource recovery projects for the San Francisco Bay Area. In 2017, the Coalition shifted its focus from the development of a large regional biosolids-to-energy facility to developing a portfolio of diversified and reliable management options. By joining the Coalition, the District will be able to collaborate and leverage the knowledge, expertise, and resources of multiple agencies. The Coalition is operated under a Joint Exercise of Powers Agreement (JEPA), which allows new members to join by Addendum. The District is required to execute this Addendum to the JEPA to fully participate in Coalition activities.

DISCUSSION

As presented to the Finance/Administration Committee on July 26, 2016, and the Sustainability/Energy Committee on October 25, 2016, the District needs to expand its current portfolio of biosolids management options due to continued regulatory pressure to divert organics from landfills. It is likely that the District will no longer have the option to use biosolids as landfill alternative daily cover (ADC) by 2025, which is the District's primary management option during the wet weather season.

The Coalition's current two-year strategic plan focuses on the critical challenge of identifying viable year-round biosolids management options. The Coalition will be compiling information on various technologies and approaches; developing a methodology to screen out infeasible alternatives; and developing criteria to select at least three all-weather options. Participating in the Coalition as an active member will allow the District to gain the benefit of this multi-agency effort and steer its direction as it identifies, evaluates, and develops viable, cost-effective alternatives to landfill ADC. This effort supports

Funds Available: FY17		Budget Code: WWO/900/8905/5256
DEPARTMENT SUBMITTING Wastewater	DEPARTMENT MANAGER or DIRECTOR Eileen M. White Eileen M. White	APPROVED for R. Cerf General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.

the District's Strategic Plan goal for Water Quality and Environmental Protection, specifically to "ensure that management of biosolids is cost-effective and environmentally safe."

INDEMNIFICATION

The JEPA would require the District to indemnify other parties in two circumstances. First, the District would be required to indemnify the Coalition's Lead Agency against claims arising from certain fiscal, contracting, and administrative duties performed by the Lead Agency for the benefit of all Coalition members (unless the Lead Agency is negligent). All Coalition members are subject to that requirement. Second, the JEPA protects each Coalition member from other members' negligence by requiring the members to provide reciprocal indemnity to one another. For example, the District would be required to indemnify any other member damaged by the District's negligence or misconduct in a Coalition-related activity. Similarly, the District could seek indemnity from another Coalition member if the District incurs losses as a result of the other member's negligence or misconduct.

SUSTAINABILITY

Economic

The District spends approximately $2.8 million per year on biosolids handling. Costs are expected to increase with the loss of landfill ADC as an alternative. Proactively identifying and planning for non-landfill ADC uses will help the District focus on cost-effective alternatives, which will reduce operating budget impacts. Although the District is not committed to renewing its membership, the $24,500 annual fee is included in the proposed FY18 operating budget.

Social

Participation in the Coalition benefits the community by helping to ensure reliable operations of wastewater treatment processes and development of biosolids management options that consider community impacts (e.g., transportation, safety, and odors).

Environmental

Beneficial uses of biosolids can reduce greenhouse gas emissions while recycling nutrients. Alternatives developed by the Coalition will consider the environmental impacts of each of the management options.

ALTERNATIVE

Do not become a party to the JEPA. This alternative is not recommended because the District would not be able to guide the Coalition activities or have input on the development of alternatives, use of Coalition funds, or development of community outreach materials.

EBMUD

AGENDA NO. 9.
MEETING DATE May 9, 2017

TITLE **REPORT AND RECOMMENDATION OF THE GENERAL MANAGER FISCAL YEARS 2018 AND 2019 REVISIONS TO THE WATER AND WASTEWATER SYSTEM SCHEDULE OF RATES AND CHARGES, CAPACITY CHARGES AND OTHER FEES**

☒ **MOTION** ☐ **RESOLUTION** ☐ **ORDINANCE**

RECOMMENDED ACTION

1) File the General Manager's Report and Recommendation for revisions to the Water and Wastewater System Schedule of Rates and Charges, Capacity Charges and Other Fees.

2) Set a Public Hearing for Tuesday, June 13, 2017, during the Board's regular meeting to consider the report and recommendation, and to comply with Proposition 218 public notification requirements.

Adoption of the FY18 and FY19 proposed rates and charges is also scheduled for Board consideration at its meeting of June 13, 2017.

SUMMARY

The Report and Recommendation of the General Manager for revisions to the rates and charges includes the following revisions for FY18 and FY19:

Water System

- Rates and Charges for Water Service*
- Drought Surcharges*
- System Capacity Charges
- Standard Participation Charges
- Account Establishment Charges
- Charges for Special Services
- Water Demand Mitigation Fees
- Water Service Estimate Application Fees
- Public Records Act Fees, Real Property Use Application Fees and Recreation Use Fees

Funds Available FY:		Budget Code:
DEPARTMENT SUBMITTING Finance	DEPARTMENT MANAGER or DIRECTOR Sophia D. Skoda	APPROVED General Manager

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Wastewater System

- Rates for Treatment Services*
- Wet Weather Facilities Charges*
- Wastewater Other Fees
- Wastewater Capacity Fees
- Industrial Permit Fees
- Rates for Resource Recovery Treatment Service

Water Service Regulations

- Section 1 – Explanation of Terms Used in these Regulations
- Section 2 – Applying for Services
- Section 3 – Standard Service
- Section 17 – Change in Size of Service
- Section 26 – Protection of Public Water Supply
- Section 31 - Water Efficiency Requirements

*Subject to Proposition 218 substantive and notice requirements.

ARC:SDS:RL

Attachment

I:\Sec\2015 Board Related Items\050917 Board Agenda Items\FFIN - BD1 File Rates Report 050917.doc

East Bay Municipal Utility District
Oakland, California

Biennial Report and Recommendation of The General Manager Fiscal Years 2018 & 2019

Revisions to the Water and Wastewater System Schedule of Rates and Charges, Capacity Charges, and Other Fees

FY2018 and FY2019

Biennial Report and Recommendation of the General Manager

Revisions to the Water and Wastewater System

Schedule of Rates and Charges, Capacity Charges,

and Other Fees

Presented to the Board of Directors
by Alexander R. Coate, General Manager on
May 9, 2017

East Bay Municipal Utility District

East Bay Municipal Utility District

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East Bay Municipal Utility District

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EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: May 4, 2017

MEMO TO: Board of Directors

FROM: Alexander R. Coate, General Manager ARC

SUBJECT: FY18 & FY19 Biennial Report and Recommendation of the General Manager for Revisions to the Water and Wastewater System Schedule of Rates and Charges, Capacity Charges and Other Fees

The District creates a biennial report with recommendations on rates and charges, both those subject to California Constitution article XIII D, section 6 (commonly referred to as Proposition 218) such as water and wastewater service charges, and those not subject to Proposition 218 such as capacity fees and charges for special services that are subject to California Constitution article XIII C, section 1(e) (commonly referred to as Proposition 26). Water and wastewater service charges subject to Proposition 218 were presented to the Board along with the proposed Fiscal Year 2018 and 2019 (FY18 and FY19) operating and capital budgets at the April 11, 2017 budget and rates workshop. The Board also received the Proposition 218 notice announcing the hearing date for rates and charges subject to Proposition 218. The attached report summarizes all proposed changes to rates and charges subject to Proposition 218 and other fees and charges not subject to Proposition 218. The Proposition 218 public hearing will be held on June 13, 2017.

The proposed charges are designed to recover costs identified in the proposed FY18 and FY19 operating and capital budgets and to meet Board policy goals. In preparation for the FY18 and FY19 budget and rates, a series of three Board workshops were held in 2017 to develop and discuss the details of the proposed budget and rates including staffing, capital projects, water sales projections and rate sensitivities. In addition, a Board workshop was held in December 2016 that focused on financial planning and reviewed the District's long-term financial stability principles that were developed during FY15. The proposed water and wastewater charges were developed using an update for FY18 and FY19 of the District's cost of service (COS) study to ensure that the charges are compliant with Proposition 218. The COS study for the water and wastewater systems ensures that charges are appropriately and equitably established consistent with California law. The proposed FY18 and FY19 rates incorporate the results of the COS study as well as the increased revenue required to address proposed FY18 and FY19 expenditures.

As part of long-term financial stability efforts, the District developed a staged system of drought surcharges to recover water shortage related costs, which was implemented during the Stage 4 Drought in FY16. Under this staged system of drought surcharges, the drought surcharge rises as the severity of the water shortage increases (i.e., Stage 1 – 0%; Stage 2 – up to 8%; Stage 3 – up to 20%; Stage 4 – up to 25% on the Water Flow Charge). The District does not anticipate a water shortage in FY18 or FY19 as a result of the high levels of water currently in storage due to recent storms and reduced customer demand. However, the drought surcharge percentages that were developed in the 2015 COS study and adopted and implemented for FY16 will remain in effect

as a contingency plan in the unanticipated event of a water shortage. If a water shortage occurs, the District will update the drought related costs and develop and adopt drought surcharges based on the updated COS study. Any drought surcharges that are imposed will be consistent with the FY16 staged system of drought surcharges and will not exceed the drought surcharge percentages from FY16.

Recommended changes to Water System rates and charges are:

Water Rates and Charges:

- Increase water charges (service, flow, elevation, and private fire service) 9.25 percent overall for FY18 and 9.0 percent overall for FY19. These increases support the proposed FY18 and FY19 operating and capital expenses.

- Maintain the staged system of drought surcharges developed in the Districts' COS study for FY18 and FY19 as a contingency plan in the unanticipated event of a water shortage. The drought surcharge percentage is imposed on the potable Water Flow Charge when the Board declares a water shortage emergency.

Other Water Fees and Charges:

- Implement increases and changes to the System Capacity Charge (SCC), Standard Participation Charge (SPC), and Water Demand Mitigation Fees to reflect changes in District costs.

- Implement proposed changes to Water System Schedule B – Account Establishment Charge, Schedule C – Charges for Special Services and Schedule M – Water Service Estimate Application Fees. These changes increase the individual charges in the schedules to reflect current District costs.

- Implement the proposed changes to the Real Property Use Application Fees, Public Records Act Fee Schedule and District Publications Fees, and Recreation Use Fees to reflect current District costs.

- Modify Water Service Regulations Sections 1, 2, 3, 17, 26 and 31 to update and clarify District service regulations.

The proposed increases for FY18 and FY19 are higher than projections made in FY15, when the FY16 and FY17 biennial budget was adopted. At that time, it was projected that water service charges in FY18 and FY19 would need to increase by 5.0 percent each year. The proposed water service charges are higher than originally projected two years ago due to significantly reduced water sales. The multi-year drought has resulted in both temporary (e.g., limited irrigation) and permanent changes (e.g., replacement of lawns with hardscape and installation of water efficient

appliances and fixtures) in water demand by our customers. For example, the average residential water user (the majority of water users within the District are residential customers) now consumes only up to 8 hundred cubic feet (CCF) per month (about 200 gallons per day) as compared to 10 CCF (about 250 gallons per day) in 2013. The budget draws upon Rate Stabilization Funds to lessen the rate impact on our customers as the District recovers from the financial impacts of the multi-year drought.

District revenues are in large part dependent upon water usage which is projected to be significantly lower in FY18 and FY19 compared to prior projections. The proposed charges are based on the assumption that water consumption will be 137 million gallons per day (MGD) in FY18 and 141 MGD in FY19. This is more than 10 percent lower than the water consumption that had been projected for FY18 and FY19 at the time the FY16 and FY17 biennial budget was adopted. Despite the fact that the recent drought has ended and water use restrictions have been lifted, it is projected that customers will maintain many of their conservation habits.

The overall increases of 9.25 percent in FY18 and 9.0 percent in FY19 will raise the monthly bill for the average single family residential customer to $51.49 in FY18, a $4.34 (9.2 percent) increase, and to $56.12 in FY19, a $4.63 (9.0 percent) increase. However, the overall impact to individual customers will vary depending on their actual water consumption.

Recommended changes to Wastewater System rates and charges are:

Wastewater Treatment Charges and Wet Weather Facilities Charge:

- Increase Wastewater Treatment Charges (service, strength, flow) and Wet Weather Facilities Charge 5.0 percent overall for FY18 and 5.0 percent overall for FY19. These increases support the proposed FY18 and FY19 operating and capital expenses.

Other Wastewater Fees and Charges:

- Increase the Wastewater Capacity Fee to reflect changes in District costs and to implement the fifth year of the five-year phase-in of the updated fee approved by the Board in 2013.

- Increase the Wastewater Discharge Permit and Estimation Permit fees for FY18 and FY19 and revise the Limited Term Discharge Permit to reflect higher permit costs and lower treatment costs for groundwater remediation.

- Increase the Monitoring Fee for FY18 and FY19 to reflect higher permit costs.

- Increase the Private Sewer Lateral Compliance Fee by $25 and the Time Extension Certificate by $7 to recover District costs.

- For the Resource Recovery rates, add an additional rate sub-category for the material type "brine" and increase the rate in FY19 to reflect the nature of the material type.

The proposed increases are consistent with projections made in FY15, when the FY16 and FY17 biennial budget was adopted. At that time, it was projected that wastewater service charges in FY18 and FY19 would need to increase by 5.0 percent and 5.0 percent respectively. The proposed increases are consistent with those projections. The District's ability to remain true to its projections is notable given that the FY18 and FY19 budget is based on slightly lower projections of treatment flows due to reduced water use. District wastewater revenues are in part dependent upon billed potable water usage and assumptions regarding the amount of water returned to the sewer as wastewater. The proposed charges are based on the assumption that wastewater revenue will be about 3 percent lower than had been projected when the FY16 and FY17 biennial budget was adopted. The wastewater service charge increases for FY18 and FY19 are consistent with the levels projected for these years largely as a result of operating cost savings and debt savings from using more cash funding and less debt financing of capital expenditures.

The 5.0 percent overall increase for FY18 for wastewater results in an increase of $0.96 per month from $19.93 to $20.89 (4.8 percent) on the monthly wastewater charge collected on the water bill for the average residential customer. For FY19, the bill will increase $1.06 per month from $20.89 to $21.95 (5.1 percent). However, the overall impact to individual customers will vary depending on their actual water consumption. The monthly charges include the San Francisco Bay Pollution Prevention Program monthly fee, which remains at $0.20 per month for FY18 and FY19 for residential customers. In addition to the wastewater charges collected on the water bill, wastewater customers also pay a Wet Weather Facilities Charge collected on the property tax bill depending on lot size. The annual Wet Weather Facilities Charge is proposed to increase 5.0 percent each year to $98.80 in FY18 and to $103.74 in FY19 for the lot size for the typical residential customer.

The recommendations in this memo include water and wastewater service charges subject to Proposition 218, including the proposed drought surcharges. In compliance with Proposition 218, which established specific rules for implementing new or adjusting existing rates, the District will hold a public hearing on June 13, 2017 to consider the adoption of the charges. The Proposition 218 notice was sent by mail to the record owners of parcels upon which the proposed charges will be imposed and tenants directly responsible for the payment of the proposed charges (i.e., "customers" who are not property owners,) at least 45 days prior to the scheduled public hearing. Any record owner and any tenant may submit a written protest to the proposed increases; however, only one written protest will be counted per identified parcel. Any written protest must: (1) state the specific charge increase (water and/or wastewater) for which the protest is being submitted in opposition; (2) provide the location of the identified parcel by customer account number, assessor's parcel number or street address; and (3) include the name and signature of the property owner or tenant submitting the protest. If a property owner or tenant is protesting one or more increases, the property owner or tenant should identify which service charge increase or increases he or she is protesting. Written protests against the proposed increases may be

personally delivered to the District, submitted at the hearing, or mailed to the District. Protests by fax, email, or other electronic means will not be accepted as formal written protests. To be tabulated any written notice must be received by the District prior to the close of the hearing. If written protests against either or both of the proposed service charge increases as outlined above are not presented by a majority of the property owners or tenants directly responsible for the payment of the water and/or wastewater service fees and charges of the identified parcels upon which they are proposed, the Board will be authorized to impose the respective increases.

The Proposition 218 notice for the recommended increases was mailed to all parcel owners and customers by April 29, 2017 in compliance with Proposition 218 requirements.

The proposed water and wastewater charges are recommended to be effective on bills issued on or after July 1, 2017 for FY18 and on or after July 1, 2018 for FY19. Changes to the Public Records Act Fees will also be effective on July 1, 2017. Changes to SCC, SPC, Water Demand Mitigation Fees, and Wastewater Capacity Fees for FY18 are proposed to be effective on August 14, 2017. Changes to recreation fees are proposed to be effective January 1, 2018 for the 2018 increases and January 1, 2019 for the 2019 increases to coincide with the recreation season.

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1. **Water System Rates, Charges and Fees**

Chapter 1 – Water System Rates, Charges and Fees

INTRODUCTION

The District updates the water system's rates and charges biennially in conjunction with the development of its budget. The charges are designed to recover costs identified in the proposed operating and capital budgets and to meet Board policy goals. The District's water service charges include a Water Service Charge, which is a fixed charge to the ratepayer that does not change regardless of water use, and a Water Flow Charge, which is a variable charge that rises and falls depending upon the level of water used (also known as a consumption or volumetric charge). In addition to the Water Service Charge and the Water Flow Charge, the District water service charges levied under specified circumstances include a water Elevation Surcharge, a Private Fire Service Charge, and Nonpotable/Recycled water charges, as well as a system of Drought Surcharges. The District completed a cost of service (COS) study in FY15 to ensure that all of the District's water service rates and charges are appropriately and equitably established consistent with California law. The proposed overall increase to the water charges is 9.25 percent for FY18 and 9.0 percent for FY19; however, the overall impact to individual customers will vary depending on their actual water consumption. Illustrations of the varying impacts are presented below for FY18 and FY19.

Details of the cost of service analysis and the FY18 and FY19 calculations are contained in the District's April 9, 2015 COS study and the updated COS analysis for Fiscal Year 2018 and 2019, respectively (see Appendix A). They are also addressed in the General Manager's April 6, 2017 memorandum to the Board which discusses the proposed FY18 and FY19 service charges that are subject to California Constitution, article XIII D, section 6.

The District does not anticipate a water shortage in FY18 or FY19 as a result of the high levels of water currently in storage due to recent storms and reduced customer demand. However, the drought surcharge percentages that were developed in the 2015 COS study and adopted for FY16 and FY17 will remain in effect as a contingency plan in the unanticipated event of a water shortage. If a water shortage occurs, the District will update its drought related costs and develop and adopt drought surcharges based on the updated COS study. Any drought surcharges that are imposed will be consistent with the FY16 staged system of drought surcharges and will not exceed the drought surcharge percentages from FY16.

The proposed water charges will be effective on bills issued on or after July 1, 2017 for FY18 and on or after July 1, 2018 for FY19.

RECOMMENDATIONS

The recommendations in this section cover the Water System water service rates and charges, including the Water Service Charge, Water Flow Charge (consumption), Drought Surcharges, Water Elevation Surcharge, Private Fire Service Charge and charges related to the installation of water and private fire service and other ancillary charges.

Recommended changes to the Water System water service rates and charges are:

Water Service Rates and Charges and Drought Surcharges:

- Increase water charges (service, flow, elevation and private fire service charges) 9.25 percent overall for FY18 and 9.0 percent overall for FY19. These increases support the projected FY18 and FY19 operating and capital expenses.

- Adopt the FY18 and FY19 water service charges as shown in Water System Schedule A – Rates Schedule for Water Service (see Chapter 5).

- Adopt the schedule of Drought Surcharges as shown in Water System Schedule L – Drought Surcharge Rate Schedule for Water Service (see Chapter 5) using the drought surcharge percentages developed in the District's COS study. The drought surcharge percentage is imposed on the potable Water Flow Charge when the Board declares a water shortage emergency or a water shortage, or the State mandates reduced water use.

Other Water Fees and Charges:

- Implement proposed changes to Water System Schedule B – Account Establishment Charge, Schedule C – Charges for Special Services and Schedule M – Water Service Estimate Application Fees. The changes increase each charge in these schedules to reflect current costs.

- Modify Water Service Regulations Sections 1, 2, 3, 17, 26 and 31 to update and clarify District service regulations.

- Update the Real Property Use Application Fees, Recreation Use Fees and Public Records Act Fee Schedules for specific fee changes.

DISCUSSION

Water Service Rates and Charges

<u>Increase overall Water System water service rates and charges by 9.25 percent in FY18 and 9.0 percent in FY19.</u>

The purpose of Water System water service charges is to recover costs in the District's operating and capital budgets and to meet the Board's policy goals. The proposed increases address the District's needs as presented in its proposed biennial budget for FY18 and FY19. Details of the proposed increases to the individual components of the water service charges are shown below under **Water System Cost of Service and FY18 and FY19 Proposed Charges**. Details of the FY18 and FY19 budget objectives, operating budget, capital expenses, and debt expenses are available in the FY18 and FY19 Proposed Biennial Budget and Capital Project Summaries.

The proposed water service rates and charges increases for FY18 and FY19 are higher than projections made in FY15, when the FY16 and FY17 biennial budget was adopted. At that time, it was projected that water service charges in FY18 and FY19 would need to increase by 5.0 percent

each year. The proposed FY18 and FY19 water charges, and resulting customer bills, are higher than originally projected two years ago due to significantly reduced water sales. The multi-year drought has resulted in both temporary and permanent changes in water demand by our customers. For example, the average residential water user (the majority of water users within the District are residential customers) now consumes only up to 8 hundred cubic feet (CCF) per month (about 200 gallons per day) as compared to 10 CCF in 2013 (about 250 gallons per day). The proposed budget draws upon Rate Stabilization Funds to lessen the rate impact on our customers as the District recovers from the financial impacts of the multi-year drought.

District revenues are in large part dependent upon water usage which is projected to be significantly lower in FY18 and FY19 compared to prior projections. The proposed charges are based on the assumption that water consumption will be 137 million gallons per day (MGD) in FY18 and 141 MGD in FY19. This is more than 10 percent lower than the water consumption that had been projected for FY18 and FY19 when the FY16 and FY17 biennial budget was adopted. Despite the fact that the recent drought has ended and water use restrictions have been lifted, it is projected that customers will maintain many of their conservation habits. The projected water sales for FY17 is 133 MGD, which is a slight increase from the 128 MGD experienced during FY16 when the District was in a Stage 4 drought emergency.

Revenue from water charges needs to increase by 9.25 percent overall in FY18 and 9.0 percent in FY19 to cover the expenditures identified in the proposed FY18 and FY19 operating and capital budgets, and to meet Board policy goals. Table 1 below illustrates the amount of revenue needed from the FY18 and FY19 increases in water service charges to fund FY18 and FY19 expenditures. Between FY17 and FY19 operation and maintenance (O&M), debt service, and capital expenses are budgeted to increase to varying degrees. In total, expenses in FY19 are projected to be $772.35 million, 13.8 percent higher than FY17. The District can access a variety of non-water charge based revenues such as property taxes, lease revenues, reserves, and bond proceeds. These revenues are projected to cover $264.8 million of expenditures in FY19, leaving $507.5 million to be addressed from revenues from water service charges. FY17 water service charge revenues generated $429.0 million of the necessary $507.5 million, leaving $78.5 million, or 18.25 percent, of incremental expenditures to be addressed from increases in water service charges. This 18.25 percent increase is proposed to be distributed over two years, with a 9.25 percent increase in FY18 and a 9.0 percent increase in FY19.

Table 1 – Revenue Shortfalls (In Million$) Addressed Through Rate Increase

	FY17	FY19	2-Yr Δ
Revenue Requirement			
+ O&M expense	$262.2	$292.5	11.6%
+ Debt service expense	180.2	210.0	16.5%
+ Capital expense	236.1	269.8	14.3%
Total expenses =	678.5	772.3	13.8%
- Other revenues	-225.5	-264.8	17.4%
Revenue requirement =	$453.0	$507.5	12.0%
Revenue Adjustment			
+ Revenue requirement		$507.5	
- Revenue from existing rates		-429.0	
Difference =		78.5	
Total Rate Revenue Requirement Adjustment		**18.25%**	

The details of the FY18 and FY19 budget objectives, operating budget, capital expenses, and debt expenses are contained in the FY18 and FY19 Proposed Biennial Budget and Capital Project Summaries. The proposed operating and capital budgets, combined with the decreased water consumption projections, contribute to the increased FY18 and FY19 water service charges in roughly the following proportions:

- Operations – additional funded positions, increases in labor and benefits, and increases in non-labor expenses drive approximately 35 percent of the additional revenue required in FY18 and FY19.

- Capital – increases in rate-funded capital and debt service drive approximately 35 percent of the additional revenue required in FY18 and FY19.

- Reduced Water Sales – reductions in assumed water sales drive approximately 30 percent of the additional revenue required in FY18 and FY19.

<u>Continue the drought surcharge percentages calculated in the COS and implemented in FY16 as a contingency in the unlikely event of a water shortage in FY18 or FY19.</u>

As part of long-term financial stability efforts, the District developed a staged system of drought surcharges to recover water shortage related costs. Under this staged system of drought surcharges, the drought surcharge rises as the severity of the water shortage increases. The District does not anticipate a water shortage in FY18 or FY19 as a result of the high levels of water currently in storage due to recent storms and reduced customer demand. However, the drought surcharge percentages that were developed in the 2015 COS study and adopted and implemented for FY16 will remain in effect as a contingency plan in the unanticipated event of a water shortage.

In its 2015 COS study, the District developed a detailed cost of service analysis to calculate the drought surcharges for the District's drought stages. The 2015 COS study calculated drought surcharges that would address the financial aspects of a limited or restricted water supply situation for each drought stage. The revenue requirement for each drought stage was developed and a drought surcharge was calculated to recover the revenue requirement based on the volume related and customer service related drought costs. The District's COS study calculated drought surcharge percentages of up to 8 percent, 20 percent and 25 percent to be assessed on the potable Water Flow Charge in each billing period during Drought Stages 2, 3 and 4, respectively. In the FY16 and FY17 budget, the Board adopted the staged system of drought surcharges to recover water shortage-related costs. After declaring a Stage 4 drought, the District implemented a 25 percent Drought Surcharge on the potable Water Flow charge for FY16 water bills. After the water shortage emergency was discontinued, the 25 percent Drought Surcharge was terminated at the start of FY17.

The District does not anticipate a water shortage in FY18 or FY19 as a result of the high levels of water currently in storage due to recent storms and reduced customer demand. However, the drought surcharge percentages that were developed in the 2015 COS study and adopted for FY16 and FY17 will remain in effect as a contingency plan in the unanticipated event of a water shortage, water shortage emergency, or state mandated reductions in potable water use, Schedule L – Drought Surcharge Rate Schedule for Water Service (see Chapter 5). Prior to implementing drought surcharges, the District will update drought related costs and develop and adopt surcharges consistent with the COS study and will not exceed the drought surcharge percentages listed in Schedule L. The District's Proposition 218 notice for FY18 and FY19 includes information regarding these surcharges so that they remain available to the Board to implement in the event the District is in a water shortage that requires reductions in water use by its customers.

Water System Cost of Service Study and FY18 and FY19 Proposed Charges

State law and District policy requires that the District's rates and charges be based on cost of service and that they be proportional to the cost of providing service on a parcel basis. A COS study allocates operating and capital costs to customer classes based both on customer class usage characteristics and on facility design and operations. This nexus between usage and cost forms the financial and legal basis for setting utility rates and charges. Over time, both customer usage characteristics and costs can change and a COS study helps reconcile these changes with revenues under existing rates and charges. COS studies often result in recommended modifications to existing rates and charges.

The District retained Raftelis Financial Consultants (RFC) to perform COS studies for the water and wastewater systems' rates and charges, including a study of the proposed drought rate structure. The RFC study was completed in FY15 and indicated that the District's service charges were generally in line with COS principles but, as expected, the study also indicated some recommended adjustments. The recommended adjustments were incorporated into the District's water and wastewater charges and reflected in the proposed FY18 and FY19 water and wastewater service charges. For FY18 and FY19, the District updated the original COS study for the proposed and projected FY18 and FY19 expenditures, revenues, and water sales (see Appendix A). It is District policy to conduct periodic cost of service studies and as part of the most recent study, completed in April 2015 and updated in April 2017, the District focused efforts on developing a strong and clear administrative record for its rates and charges. The District believes that its established and proposed rates for water service comply with the substantive standards of California Constitution

article XIII D, section 6 and do not exceed the proportional cost of providing water service on a parcel basis at each given level of usage.

Proposed FY18 and FY19 Water Charges

Overall, service charges are proposed to increase by 9.25 percent in FY18 and 9.0 percent in FY19. Individual charges are rounded to the nearest whole cent after the increases are applied to the current charges. The impact on a customer's water bill of the proposed increases will differ slightly for each customer class and for individual customers within each customer class depending on water use and meter size. Tables 4 through 7 illustrate the impact of the proposed increases on specific charges for various categories of users. All these tables incorporate the proposed increases consistent with the COS study.

Table 4 illustrates the rates for various single family residential customers in FY17, FY18 and FY19 at varying levels of usage. The bottom row of the table shows the impact of the increases on the average single family residential customer. Note that the average customer is now using about 8 CCF per month, down from the previous historic average use of 10 CCF per month. The monthly water bill for FY17 based on the average use for single family residential customers is $47.15 and will rise to $51.49 in FY18, an increase of $4.34 or 9.2 percent. In FY19 the monthly water bill will rise to $56.12, an increase of $4.63 or 9.0 percent.

The table shows the water bill impact from the proposed increases based on differing levels of usage. The user in the 25th percentile is among the lowest user of water at 4 CCF per month; only 25 percent of ratepayers use less. Users in the 50th percentile are the median users at 6 CCF of water; half of ratepayers use more and half use less. Ratepayers in the 75th percentile use 10 CCF of water per month; three quarters of ratepayers use less. Finally, ratepayers in the 95th percentile use 22 CCF per month; more than 95 percent of ratepayers use less. Monthly bills in FY18 for the range of usage shown below range from $36.40 to $127.03 and reflect a 9.2 percent increase from the corresponding monthly bill in FY17. Monthly bills in FY19 range from $39.67 to $138.46 and reflect an increase of 9.0 percent over FY18 monthly bills.

Table 4 - Single Family Residential Customer Monthly Water Bill Impacts – Including Proposed Water Service and Flow Charges

Single Family Residential Water Charges on Water Bill								
	Use (CCF)	FY17 Bill	FY18 Bill	Increase from FY17	Percent Change	FY19 Bill	Increase from FY18	Percent Change
25th Percentile	4	$33.33	$36.40	$3.07	9.2%	$39.67	$3.27	9.0%
50th Percentile (median use)	6	$39.65	$43.30	$3.65	9.2%	$47.19	$3.89	9.0%
75th Percentile	10	$55.83	$60.97	$5.14	9.2%	$66.46	$5.49	9.0%
95th Percentile	22	$116.31	$127.03	$10.72	9.2%	$138.46	$11.43	9.0%
Average Single Family Residential Use*	8	$47.15	$51.49	$4.34	9.2%	$56.12	$4.63	9.0%

*8 CCF/month represents recent average single family residential use. Previous comparisons used 10 CCF/month, which represented historic average single family residential use prior to recent drought conditions.

Table 5 illustrates the FY18 and FY19 monthly bill impact due to increases for non-single family residential customers based on the size of the customer's water meter and monthly water usage in CCF.

Table 5 – Other Customer Monthly Water Bill Impacts – Includes Proposed Water Service and Flow Charges

Multi-Family Residential and Non-Residential Water Charges on Water Bill									
	Meter (Inches)	Use (CCF)	FY17 Bill	FY18 Bill	Increase from FY17	Percent Change	FY19 Bill	Increase from FY18	Percent Change
Multi-Family Residential 4 dwelling units	1	25	$142.74	$155.88	$13.14	9.2%	$169.95	$14.07	9.0%
Multi-Family Residential 5+dwelling units	1	50	$254.24	$277.63	$23.39	9.2%	$302.70	$25.07	9.0%
Commercial	1	50	$253.24	$276.63	$23.39	9.2%	$301.70	$25.07	9.1%
Industrial	2	500	$2,309.32	$2,522.58	$213.26	9.2%	$2,751.36	$228.78	9.1%

Table 6 illustrates the FY18 and FY19 monthly Water Service and Private Fire Service Charges by meter size in inches. Table 7 illustrates the Proposed Flow Charge and Elevation Surcharge.

Table 6 - Proposed Monthly Water Service Charges (Meter) and Private Fire Service Charges ($/Meter Size)

Monthly Meter and Private Fire Service Charges on Water Bill						
		FY17	FY18	Percent Change	FY19	Percent Change
Private Fire Service Charge						
	4"	$107.36	$117.29	9.2%	$127.85	9.0%
	6"	209.87	$229.28	9.2%	$249.92	9.0%
	8"	332.87	$363.66	9.2%	$396.39	9.0%
Water Service Charge						
Single Family Residential	5/8" & 3/4"	$20.69	$22.60	9.2%	$24.63	9.0%
Multi-Family Residential	2"	89.32	$97.58	9.2%	$106.36	9.0%
Other	4"	268.83	$293.70	9.3%	$320.13	9.0%

Table 7 - Proposed Water Flow Charge (Volume) and Elevation Surcharge ($/CCF)

Water Flow and Elevation Charges on Water Bill					
Flow Charges	**FY17**	**FY18**	**Percent Change**	**FY19**	**Percent Change**
Single Family Residential					
Tier 1 up to 7 CCF	$3.16	$3.45	9.2%	$3.76	9.0%
Tier 2 up to 16 CCF	$4.34	$4.74	9.2%	$5.17	9.1%
Tier 3 over 16 CCF	$5.74	$6.27	9.2%	$6.83	8.9%
Multi-Family Residential	$4.46	$4.87	9.2%	$5.31	9.0%
Other (commercial/industrial)	$4.44	$4.85	9.2%	$5.29	9.1%
Nonpotable/Recycled Water	$3.46	$3.78	9.2%	$4.12	9.0%
Elevation					
Band 2	$0.64	$0.70	9.4%	$0.76	8.6%
Band 3	$1.33	$1.45	9.0%	$1.58	9.0%

Drought Surcharges

Table 8 below shows the current drought surcharge percentages on potable Water Flow Charges. Schedule L – Drought Surcharge Rate Schedule for Water Service (see Chapter 5) has been modified to reference the drought surcharge percentages from the 2015 COS rather than the equivalent FY17 drought surcharge rate expressed in $ per CCF that was listed in the prior version of Schedule L.

Table 8 – Drought Surcharge Percentages on Potable Water Flow Charges

	Maximum Applicable Drought Surcharge Percentage in 4 Stages			
	1	2	3	4
All potable water flow charges	0%	8%	20%	25%

In the unlikely event that a water shortage occurs, prior to implementing drought surcharges, the District will update the drought related costs and develop and adopt surcharges consistent with the COS study, not to exceed the drought surcharge percentages listed above. The District's California Constitution article XIIID, section 6(a) notice for FY18 and FY19 includes information regarding these surcharges as a contingency plan.

RECOMMENDED REVISIONS TO OTHER WATER SYSTEM CHARGES

In addition to the changes in the water service charges described above, this report recommends revisions to other District water rates, charges and fees. These charges and fees are not subject to the requirements of Proposition 218. Copies of the charges and fees recommended for revisions are shown under Chapter 5 of this report.

The District periodically reviews the rates, charges and fees in the Schedules of Water System Charges to ensure that the charges and fees reflect the District's cost of service. For the FY18 rates, charges and fees, in order to incorporate increased costs related to salaries and benefits, the following schedules rates, charges and fees are recommended for update:

- Schedule B – Account Establishment Charge
- Schedule C – Charges for Special Services
- Schedule M – Water Service Estimate Application Fees
- Real Property Use Application Fees
- Public Records Act Fee Schedule and District Publications Fees

<u>Schedule B – Account Establishment Charge</u>

Based on the analysis of the District's cost to set up a new account or to transfer an account for a customer moving from one address to another, the Account Establishment Charge is proposed to increase from $52 to $54 in FY18. The charge for customers who use the EBMUD website to sign up online for a new account is lower reflecting the District's labor cost savings. The lower Account Establishment Charge for online customers will increase from $36 to $38 in FY18. The Account Establishment Charge for customers who qualify for the Customer Assistance Program (CAP) will

be $27 in FY18, which is consistent with the CAP's 50 percent discount on charges for monthly water service. The CAP is subsidized from property tax revenues received by the District.

Schedule C – Charges for Special Services

Schedule C contains the charges for special customer services such as the meter testing program, backflow prevention program, lien program, public hydrant meters, and service interruptions. After a detailed review of the cost to provide each of the services, the following recommended changes are proposed for FY18.

Meter Testing Charges

The District is responsible for the maintenance and replacement of all water meters, and recovers those costs through the monthly water service charge. When the District suspects or determines a water meter is not functioning properly, the District tests and/or replaces the malfunctioning meter. When a meter is tested at the sole request of the customer, the District bills the customer a Meter Testing Charge based on the size of the meter to recover the cost of performing this work. If the meter is found to be over-registering water consumption, the Meter Testing Charge is refunded. For FY18, the Meter Testing Charges are proposed to increase between 3.1 percent and 3.8 percent depending on meter size, reflecting actual District costs.

Service Interruption Charges

If the District is unable to collect or establish and maintain payment arrangements for payment of unpaid water bills, the District will discontinue water service to the customer. Initially, water service is shut off at the meter, which triggers a Service Trip Charge (see below). The Service Trip Charge is proposed to increase in FY18 from $45 to $46, reflecting District costs. After the customer pays the delinquent charges owed to the District, another Service Trip Charge of $46 is assessed to restore the service. If the customer requests service be restored after normal business hours, an after-hours Service Trip Charge is assessed instead of the normal Service Trip Charge. The after-hours Service Trip Charge is proposed to increase from $62 to $63 for FY18. If it is determined that the customer tampered with the water meter after the District has shut off water service, a $1,000 Water Theft Penalty will be charged and an S-Lock will be placed over the meter at an additional charge. The S-Lock charge is proposed to increase from $57 to $59 for FY18. If the customer is determined to have tampered with the S-Lock, the meter will be plugged at a proposed FY18 Plug Service Interruption Charge of $402, an increase from the current charge of $394.

Lien Program Fees

The Lien Program Fees have been amended to reflect the District's staff costs and the fees charged to the District by Alameda and Contra Costa Counties to record and remove the liens. For FY18, the property tax transfer fee for Contra Costa County will increase from $3 to $6 per parcel.

Wasteful Use Charge and Flow-Restrictor Installation Charge

If the District suspects that a customer is using water in a wasteful manner, District staff contacts the customer and investigates the customer's water use. If it is determined that the customer is violating the District's water service regulations on water waste, a Wasteful Use Charge, will be charged to recover the cost of monitoring the customer's ongoing water use. The Wasteful Use

Charge for FY18 is proposed to be $46, an increase from the current charge of $45. If the customer continues to violate the water service regulations on water waste, a flow restrictor may be installed at the customer's expense. The cost of installing the flow restrictor has been updated for FY18, increasing the Flow-Restrictor Installation Charge from $113 to $115 for small meters under 1½ inches and from $243 to $248 for 1½ and 2-inch meters.

Backflow Device Annual Certification and Violation Charges

To ensure that the water system is not compromised by contaminants, pollutants or plumbing hazards, the District requires a backflow prevention device on some water service connections. A Backflow Device Annual Certification Charge is assessed to cover the administrative costs related to inspection and verification, and is proposed to be $54 for FY18, up from the current rate of $53. In addition, there is a charge for labor to complete any necessary surveys and inspections which is proposed to increase from $120 to $124 per hour. The District maintains a list of certified private companies that can perform the required backflow test. For a company to be included on the list of certified backflow testers, the District charges a Certified Tester Listing Charge. The Certified Tester Listing Charge for FY18 is proposed to be $151, up from the current charge of $148. If it is determined that a customer has violated the District's backflow prevention requirements, the District charges a Backflow Device Violation Charge, which is proposed to increase from $470 to $479 in FY18, to recover the District's costs to shut off the water service and restore the service once the District verifies that the backflow requirements have been met. The term commercial was removed and some other edits were made to clarify that the backflow requirement and fees can also apply to single family premises as defined in Section 26 Protection of Public Water Supply of the District's Regulations Governing Water Service.

Intervening Water Service Agreement Fee

The District has a program that automatically transfers a property's water service account to the landlord when a tenant who is the EBMUD account holder terminates service. This program allows for water service to continue uninterrupted while the property is vacant without the landlord having to open a new account and pay an Account Establishment Charge for that property. There is a one-time processing fee for the Intervening Water Service Agreement, to recover the administrative costs to set up the agreement. For FY18, the Processing Fee for Intervening Water Service Agreement is proposed to remain at $55.

Service Trip Charge

The Service Trip Charge is proposed to increase from $45 to $46 in FY18. Service Trip Charges recoup the cost of sending a Field Services Representative or other District staff to a service for payment collection, payment extension, service interruption and restoration, and other similar account related stops.

Public Hydrant Meter Account Establishment and Site Visit Charges

The hydrant meter program provides customers with a 3-inch hydrant meter that can be hooked up to a public fire hydrant to meter water use when temporary water service has been approved by the District. The Public Hydrant Meter Account Establishment and Renewal Charge to establish and annually renew the hydrant meter account is proposed to increase in FY18 from $109 to $111. The

hydrant meter program relies on customers to regularly self-report meter readings and periodically exchange their meters. When a customer does not follow the terms of the agreement, a Public Hydrant Meter Account Site Visit Charge is charged to recover the cost of investigation and site visits by a Field Services Representative or other District staff to recover the meter. For FY18, the Public Hydrant Meter Account Site Visit Charge is proposed to increase to $222 from the current charge of $217.

Schedule M – Water Service Estimate Application Fees

Proposed edits were made to the schedule to clarify that the total square footage of the structures would be used to calculate the application fee and that fire service requests estimate fees are required for standard services greater than 1½ inches.

Real Property Use Application Fees

The District may allow for use of its property by other public agencies or private entities after evaluating if the proposed use adversely impacts District operations, is compatible with District land management policies and practices, and if there are measurable benefits to the District. The Real Property Use Application Fees schedule recovers the cost of evaluating the applications based on the type of use being requested. For FY18 the following changes to Real Property Use Application Fees are proposed:

- Fee Title Fee for Properties for Sale will increase from $2,000 to $2,100
- Unsolicited Title Fee will increase from $12,000 to $12,300
- Utility Type Easement Fee will increase from $2,000 to $2,100
- Other types of Easement Fees will increase from $5,600 to $5,700
- Revocable License Fee will increase from $1,600 to $1,700
- Lease Fee will increase from $2,000 to $2,100
- Telecommunication Lease Fee will increase from $3,400 to $3,500
- Property Entry and Rights of Entry Permits will increase from $300 to $310
- Limited Land Use Permit will increase from $100 to $110
- Temporary Construction Easement/Encroachment Permits on open land with no District facilities will increase from $600 to $630
- Survey costs will increase from $125/hour to $140/hour

Public Records Act Fee Schedule

We are recommending revisions to the fee schedule that covers the costs of duplication of District records in accordance with the Public Records Act. The recommended changes to the fee schedule include updating the cost of duplication and programming labor charges to reflect direct labor costs for the job classifications involved in providing the records. We recommend increasing the labor costs for providing existing paper and electronic records from $0.54 per minute to $0.56 per minute, and for records on tape, CDs, or DVDs from $0.54 per minute to $0.56 per minute. Additionally, we propose increasing the labor costs associated with providing records that do not already exist from $1.02 per minute to $1.05 per minute.

Water Service Regulations

In response to issues raised by newly enacted state laws, the District needs to make several changes to Sections 1, 2, 3, 17, 26 and 31 of its Regulations Governing Water Service. Some of these proposed changes to the Regulations impact how the System Capacity Charges are assessed. A new law was enacted in 2017 to facilitate the development of accessory dwelling units (ADU). Under this new law, the District cannot require the installation of a new water meter to serve an ADU created within the existing space of an existing single family residence or accessory structure except under limited circumstances. The new law also exempts the fire sprinkler requirement for qualifying ADUs provided fire sprinklers are not required for the existing single family residence. Prior to the enactment of this law, fire districts required the installation of fire sprinklers within new ADU, and in order to meet the new fire and domestic demands, the District had required a new water meter to serve the ADUs. The District had also treated any premises with multiple dwelling units as multi-family premises for the purposes of assessing System Capacity Charges. With the proposed changes to Section 1, 2, and 3 of the District's Regulations Governing Water Service and the changes to Schedule J – System Capacity Charge, all applicants for single family premises with ADUs will now be considered single family for the purposes of assessing System Capacity Charges. See Chapter 2 for the details of impact of these changes to the System Capacity Charges.

Effective January 1, 2018, State law (Senate Bill 7) requires new multi-family residential and mixed use residential and commercial structures to submeter individual dwelling units to encourage conservation and provide appropriate safeguards for both tenants and landlords. The District's regulations currently require individual District-owned water meters for each dwelling unit in multi-family residential buildings and commercial structures with up to three occupied stories in height. To be consistent with the new law, the proposed changes to the District's regulations will require that individual District-owned meters or applicant-owned submeters be installed in new multi-family residential buildings and commercial structures regardless of the height of the buildings or structures. The decision between installing District-owned meters or applicant-owned submeters will be determined solely by the District.

We recommend that the water service regulations be amended as follows:

<u>Section 1 – Explanation of Terms Used in These Regulations</u>

Proposed changes amend definitions pertaining to Units and Premises to conform to newly enacted State laws related to accessory dwelling units and local ordinances that define Live/Work units as residential and Work/Live units as non-residential for the purposes of the assessing the System Capacity Charge. The proposed additions to the Regulations define Live/Work and Work/Live units to align with the local land use designation. The proposed changes clarify the various types of Units and Premises that may be requesting new water services. The purpose is to assess the appropriate System Capacity Charges in accordance with the proposed land use designated by local agencies. Additionally, amendments to definitions pertaining to water efficiency requirements and outdoor water use are proposed to further promote water conservation.

<u>Section 2 – Applying for Service</u>

To be consistent with the new law requiring individual meters or submeters for each dwelling unit in new multi-family residential or mixed use residential and commercial structures, proposed

amendments to Section 2 include the requirement that individual District-owned meters or applicant-owned submeters are installed in new multi-family residential buildings and commercial structures, regardless of their height, when determined solely by the District to be appropriate. The District's regulations currently require individual District-owned water meters for each dwelling unit in multi-family residential buildings and commercial structures with up to three occupied stories in height. The proposed amendment will remove the building height limit to allow the District flexibility in determining which type of metering setup is appropriate.

Section 3 – Standard Service

Minor amendments are proposed for Section 3 in order to be consistent with proposed revisions within Sections 1, 2, and 31 of the Regulations explained above and below.

Section 17 – Change in Size of Service

The proposed changes will amend this section so that District can review the water use of an applicant who requests the relocation of a large meter (over 1½ inches) as part of a structure expansion or renovation to determine if the expansion or renovation would increase the applicants water demand and trigger an additional System Capacity Charge. For meters over 1½ inches, the District individually assesses the expected water demand for each applicant based on a review of the intended use and attributes of the premises. This water use assessment is used to calculate the System Capacity Charge for applicants requesting large meters. After the applicant pays the System Capacity Charge there is no periodic review of the actual water use of the premises for the purposes of ensuring the demand remains consistent with the originally assessed System Capacity Charge. The proposed change to the Regulations will permit the District to reassess the premises' water use if there is a change in use triggered by the expansion or renovation of structure. Under the proposed changes to the Regulations, the District would treat premises with a change in use as a request for a new service that would replace an existing service following the requirements contained in Section G Credit for Existing Services of Schedule J – System Capacity Charge of the District's Schedule of Rates and Charges.

Section 26 – Protection of Public Water Supply

There are instances when backflow devices outside of the District's meter box are required for single family premises. When this occurs, the District will not be responsible for the installation, testing, and maintenance of the backflow device. To address these situations, the regulations have been amended to define what is a conforming single family premises and clarify who is responsible for the installation, testing, and maintenance of the different types of backflow devices. Additional details about the District's backflow device program will be presented at the May 9, 2017 Planning Committee meeting.

The customer will be responsible for the cost of installation and annual testing and maintenance of commercial backflow devices and residential Reduced Pressure Principle Backflow Devices (RP). An RP device is required when a customer has a well that is connected to the public water system or does not allow an inspection of their property to determine if a cross-connection exists.
The District will be responsible, at its expense, during normal working hours for the installation, testing and maintenance of double check valve backflow devices for conforming single family premises where a residential well exists and there is no cross-connection.

Section 31 – Water Efficiency Requirements

Recommended amendments to Section 31 of the Regulations are for clarification, and include efficiency updates directly related to changes in State and Federal codes. For the indoor requirements, the proposed changes are largely a result of changing code requirements (lowering flow volumes), plus a new requirement for under-counter ice machines that reflect new Federal Energy Star criteria. For the outdoor requirements, the proposed modifications align with the California Model Water Efficiency Landscape Ordinance (M-WELO), which in future years will require fewer updates through referencing state requirements.

Recreation Use Fees

The District operates four upcountry recreation areas (Camanche Hills Hunting Preserve, Camanche North and South, and Pardee) and two local watershed recreation areas (Lafayette and San Pablo). These recreation areas provide access to the District's watershed to the general public while maintaining the integrity of the water supply. For those who choose to visit the recreation areas, the District has established a schedule of fees that generate revenue to support the operation of the recreation areas. The District uses several concessionaires to assist with the upcountry and the San Pablo recreation areas; Lafayette recreation area is operated by District forces. The District also permits public access to extensive trail networks in the East Bay and Mokelumne watersheds. The schedule of Recreation Use Fees is proposed to and approved by the Board of Directors as part of the biennial rate setting process. Seniors, Distinguished Veterans, and disabled visitors have received a discount on select recreation use fees for many years. In 2018, it is proposed that the District add a modest discount for active duty and retired military personnel as well.

Camanche Hills Hunting Preserve

The proposed update to the fee schedule for the Camanche Hills Hunting Preserve (CHHP) includes modifications to simplify the options for sporting clays shooting. In addition, the initiation and annual fees for family and corporate preserve licenses have proposed increases. The proposed initiation fees will increase from $2,995 to $3,195. The annual family and corporate maintenance fees will increase by $100 to $300 and $500, respectively.

Camanche North and South Recreation Areas

There are proposed increases for calendar years 2018 and 2019 to 81 of the 135 rates and charges that are reviewed by the EBMUD Board. Fee increases are to help offset increasing labor costs for the concessionaire. The increased fees include day use, fishing, RV/trailer/boat storage, camping, boat slip fees and facility rentals. The proposed basic Recreation Use Fee increases average 5.5 percent in 2018 and 5.2 percent in 2019 at Camanche.

Pardee Recreation Area

The Pardee concessionaire has proposed a few small increases to the seasonal fees in calendar year 2018. In calendar year 2019, an average increase of 4.9 percent is proposed to basic recreation fees including camping, boat launch, boat slip rental, boat storage, RV fees and facility rentals.

Lafayette Recreation Area

There are no proposed fee changes at the Lafayette Recreation Area.

San Pablo Recreation Area

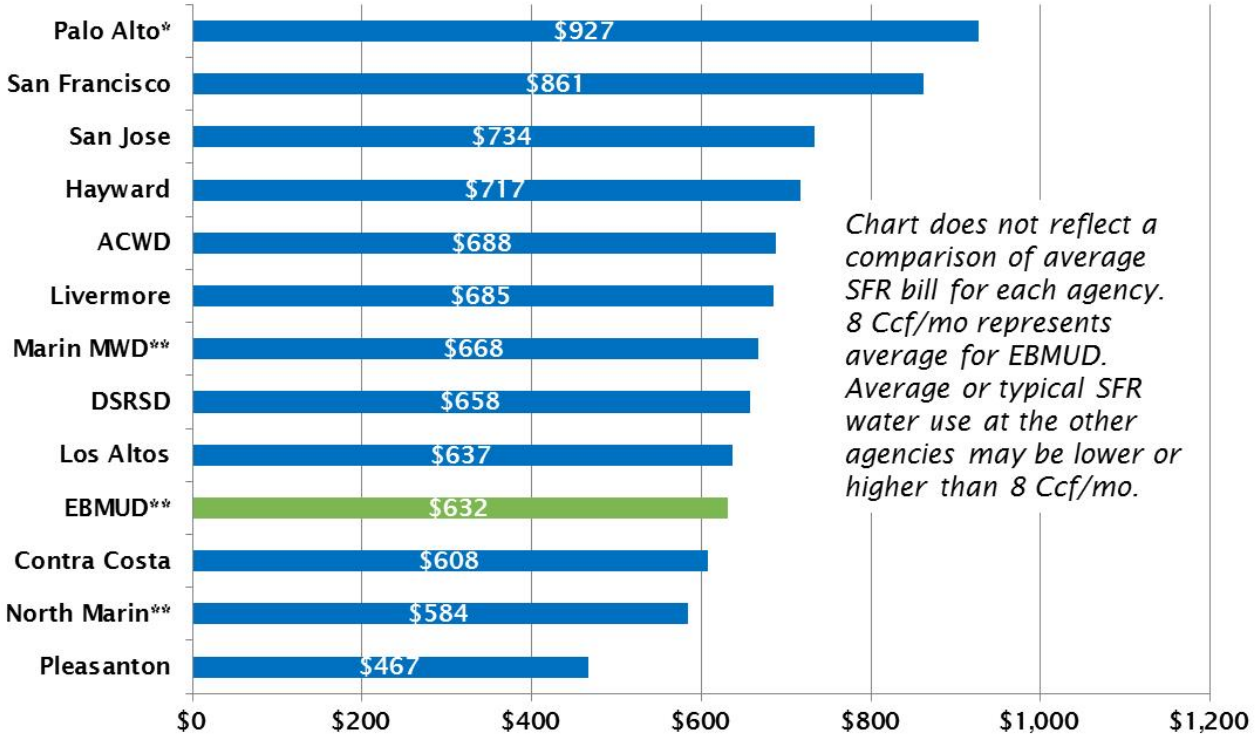
There are no proposed fee changes at the San Pablo Recreation Area.

Watershed Trails

No changes are proposed for watershed trail permits.

Exhibit 1A

Water Bills Calculated for 8 CCF/Mo
Annual Charge for SFR – Effective 7/1/17



*FY17 rates, possible rate increases for July 2017
**Proposed FY18 rates

2. **Water System Capacity Charges**

Chapter 2 – Water System Capacity Charges/ Water Demand Mitigation Fees

INTRODUCTION

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 or upsized connection to the District's system. The System Capacity Charge (SCC) was first established in 1983 as a means of assessing applicants 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 Fiscal Year (FY) 2008, the Board adopted the recommendations of the SCC Study performed by a rate consultant. The proposed FY18 SCC rates are based on updates to calculations from that study, the details of which are contained in Exhibit 2. The SCC consists of three components:

1. A 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. A 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. A 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 and upsized 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 that 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.

RECOMMENDATIONS

1. Adopt the FY18 Schedule J for the Water System Capacity Charge (SCC). All regions reflect updates for the construction of additional facilities, construction cost escalation, financing costs, and revised estimated costs to complete the FWS projects.

2. Adopt changes to the language in various sections of Schedule J to be consistent with the proposed changes in Sections 1, 2, 3 and 17 of the District's Regulations Governing Water Service regarding accessory dwelling units, live/work and work/live units and individually metering multi-family dwelling units.

3. Adopt the FY18 Schedule H for the SPC that reflects the allowable cost for facilities necessary to serve applicants who had separate facility agreements with the District prior to July 1, 1983.

4. Adopt the FY18 Schedule N for Water Demand Mitigation Fees for "The Wendt Ranch," "The Meadows," "The Wiedemann Ranch Development," the "Camino Tassajara Integrated Project" and the "Gale Ranch Phase II" projects, which reflect the latest proposed costs for the FWS Component of the SCC. In addition, the Water Use Offset Fees and Additional Water Use Offset Fees for "The Wiedemann Ranch Development" have been updated to reflect the latest U.S. City Average of the Consumer Price Index.

The changes and updates recommended for the SCC, SPC and Water Demand Mitigation Fees will be effective on August 14, 2017. These rates are not subject to the requirements of California Constitution article XIIID, section 6.

DISCUSSION

For FY08, with the assistance from a rate consultant, the District revised its approach to the SCC and established the system-wide and regional buy-in components. Pursuant to the methodology outlined in the consultant report, the proposed SCC have been updated for the Engineering News Record Construction Cost Index escalation to reflect increasing costs to reproduce existing plant assets needed to serve prospective customers. The updated asset values used in the proposed FY18 SCC rate calculations are consistent with the rate consultant report and are shown in Exhibit 2. The FWS Component was also updated for FY18.

<u>SCC Rate Calculations</u>

The proposed SCC rates are shown in Table 1 for a 3/4-inch meter for single-family residential and 5/8-inch meter 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: Updated SCC

Region	Water Consumption		Unit Costs	Capacity Charge	
	Residential 3/4" (gpd)	Non Res 5/8" (gpd)	$/100 gpd	Residential 3/4" $ (% increase)	Non Res 5/8" $ (% increase)
Region 1	280	400	$6,259	$17,530 (4.7%)	$25,040 (4.7%)
Region 2	360	535	$8,427	$30,340 (4.5%)	$45,080 (4.4%)
Region 3	580	625	$6,684	$38,770 (4.6%)	$41,780 (4.6%)
Region 3C	775	775	$11,566	$89,640 (3.5%)	See Note 1
Region 3D	775	775	$13,012	$100,850 (4.1%)	$100,850 (4.1%)

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

The SCC 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 1. The District has determined average daily water consumption values for meters up through 1½ inches within each SCC region, and established SCCs based on those averages. For larger meter sizes, the SCC 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.

Applicants for nonpotable/recycled water service have their SCC calculated based solely on the FWS Component. These customers are not served by the potable water system; they are served through a separate nonpotable/recycled water system.

SCC Unit Charges

Table 2 shows the breakdown of the unit charges for individual components: system-wide buy-in; regional buy-in; post-2000 component (for Special Regions only); and future water supply costs by region.

The SCC for the two remaining Special Regions 3C and 3D recover the costs of the additional facilities that were built to serve new connections in these regions; costs associated with these facilities are being referred to in Schedule J as the “post-2000 component” unit charge. The regional buy-in unit costs for Special Regions 3C and 3D are lower than the Region 3 regional buy-in unit costs to account for distribution pumping and reservoir costs that are already included in the post-2000 component.

Table 2: Updated SCC Unit Charges

Region	Unit Charges $/100 gpd				
	System-Wide Buy-In	Regional Buy-In	Post 2000	Future Water Supply	Total
Region 1	$2,109	$2,104		$2,046	$6,259
Region 2	$2,109	$4,272		$2,046	$8,427
Region 3	$2,109	$2,529		$2,046	$6,684
Region 3C	$2,109	$1,897	$6,960	$600*	$11,566
Region 3D	$2,109	$1,897	$6,960	$2,046	$13,012

*The FWS Component for Region 3C is $600 per 100 gpd based on the 1993 Agreement with HCV & Associates Ltd., Wiedemann Ranch, Inc. and Sue Christensen.

The SCC unit charges are calculated by dividing the current asset values from Tables 10, 11, and 16 in Exhibit 2 by the 2030 demand numbers, which are summarized in Tables 3 and 4 below:

Table 3: SCC Asset Values

Asset Category	Asset Value
System-Wide Buy-In	$4,472,984,626*
Regional Buy-In Region 1	$2,441,149,680
Regional Buy-In Region 2	$1,285,928,791
Regional Buy-In Region 3	$1,666,841,169
Regional Buy-In Total	$5,393,973,641**
Adjusted Asset Values Used in Buy-In Unit Costs	**$9,866,958,267*** **
Future Water Supply	$ 1,101,000,000

*Exhibit 2 Table 11 line 2
**Exhibit 2 Table 16 line 10
***Exhibit 2 Table 10 line 6

Table 4: SCC 2030 Demand by Region

REGION	Total Demand (MGD)	per SFR Connection (gpd)	per Non Res Connection (gpd)
Region 1	116.0	280	400
Region 2	30.1	360	535
Region 3	65.9	580	625
Total	212.0	n/a	n/a

Future Water Supply Component Details

The unit cost of the FWS Component for FY18 will increase from $1,920 per 100 gpd to $2,046 per 100 gpd, an increase of 6.6%, as a result of cost changes to current and future projects and updates to the costs of financing for those projects that have already been completed. The revised costs for these projects are shown in Table 5 and are described below. The total FWS cost allocated to the SCC is divided by the future demand of 53.8 MGD to calculate the unit cost of the FWS Component.

Table 5: Future Water Supply Project Costs and Unit Rate

FY18 Future Water Supply Projects ($ millions)				
		Costs Allocated to SCC		
Major Projects	Total Costs	Allocated Costs*	Allocated Capitalized Interest**	TOTAL
Completed Projects				
WSMP Study and EIR Costs	$77			
Water Recycling	139			
Freeport Regional Water Project	488			
Local Ground Water and Intertie	36			
Central Valley Project Capital Facilities	11			
Subtotal	751	526	253	779
Future Projects	460	322	-	322
TOTAL	**$1,211**	**$848**	**$253**	**$1,101** ***
Future Water Supply Unit Rate	$1,101 Million/53.8 MGD = $2,046 per 100 gpd			

*70% of the Total Costs are allocated to the Future Water Supply Component of the SCC.
**Capitalized Interest represents the financing costs of expenditures for water supply projects that were undertaken since 1986.
***The comparable amount used in the FY17 SCC calculation was $1,035 million.

The FWS project costs allocated to the SCC includes $779 million for completed projects including financing costs and an additional $322 million for future projects.

Completed Projects

Completed projects include $77.4 million for study and EIR costs, $139 million for current reclamation projects, $488 million for the Freeport Regional Water Project, $36 million for local groundwater and intertie projects, and $11 million for the Central Valley Water Project facilities.

The current recycled water projects include the initial phase of the East Bayshore Recycled Water Project, the District's portion of the Dublin-San Ramon Services District – EBMUD Recycled Water Authority Project, North Richmond Recycled Water Project, and other recycled water irrigation projects.

The District's portion of the expenses to construct the Freeport Regional Water Project (FRWP) and the associated Folsom South Canal Connection reflects current cost information. The FRWP is a joint project with Sacramento County Water Agency. FRWP at its peak capacity can divert and treat up to 185 million gallons of water per day from the Sacramento River near the town of Freeport. The total cost of the joint project was approximately $922 million with the District's portion of the costs of approximately $488 million, which includes the above-mentioned intake system, pipelines and pump stations, as well as project management costs incurred by the District. FRWP has the capacity to provide the District with up to 100 million gallons of water per day.

As part of the future water supply programs, the District has completed Phase 1 of the Bayside Groundwater Project and an intertie project with Hayward-San Francisco. The intertie serves to provide an emergency connection to the San Francisco Public Utilities Commission's Hetch Hetchy water system. Construction was completed in FY09.

Capital facilities of the Central Valley Project that are allocated to the District are included in the FWS Projects.

Future Projects

Future projects in the Water Supply program include conjunctive use projects, water transfers, and the expansion of local groundwater and water recycling projects. Conjunctive use projects (including groundwater banking and storage options) are being developed with multiple San Joaquin County, Calaveras County, and Amador County water agencies. The District water transfer efforts are focused on developing long-term dry-year water transfer agreements, but the District will also continue to implement temporary, short-term water transfers as needed. Phase 2 of the Bayside Groundwater project would increase the District's ability to store water in the deep aquifer in the East Bay Plain. Another $250 million is expected to be spent on future expansion of both the East Bayshore and DERWA projects as well as other water recycling projects in the San Ramon Valley, San Leandro, Richmond, Rodeo, and surrounding areas. The District is partnering with the Contra Costa Water District to evaluate options to participate in its Los Vaqueros Reservoir Expansion. The District has also been participating in development of the Bay Area Regional Reliability Drought Contingency Plan, but none of the other projects identified in that effort are ready to be included in the FWS plan.

SCC For Single Family, Multi-Family and Non-Residential Service

In response to issues raised by newly enacted state laws, the District needs to make several changes to Sections 1, 2, 3 and 17 of the District's Regulations Governing Water Service. These proposed changes to the Regulations impact how the System Capacity Charges are assessed.

As presented in the February 28, 2017 Finance Committee meeting, a new law was enacted in 2017 to facilitate the development of accessory dwelling units (ADU) which contains provisions related to connection fees and fire sprinkler requirements. The new law does not permit requiring the installation of a new water meter to serve an ADU created within the existing space of an

existing single family residence or accessory structure except under limited circumstances. The new law also exempts the fire sprinkler requirement for qualifying ADUs provided fire sprinklers are not required for the existing single family residence. Prior to the enactment of this law, fire districts required the installation of fire sprinklers within new ADUs, and to meet the new fire and domestic demands, the District required a new water meter to serve the ADU. Prior to the enactment of this law, the District also treated any premises with multiple dwelling units as multi-family premises for the purposes of assessing SCCs. With the proposed changes to Section 1, 2, and 3 of the District's Regulations Governing Water Service and the changes to Schedule J – System Capacity Charge, all applicants for single family premises with ADUs will be considered single family for the purposes of assessing System Capacity Charges. If the combined water demand of the single family residence and the ADU exceeds the capacity of the existing water meter, the District can require the installation of a larger water meter and the payment of an additional SCC for the increased water demand.

Beginning in 2018, a new District-supported state law will require new multi-family residential and mixed use residential and commercial structures to submeter individual dwelling units to encourage conservation and provide appropriate safeguards for both tenants and landlords. The District's Regulations currently require individual District-owned water meters for each dwelling unit in multi-family residential and commercial structures with up to three (occupied) stories in height. In compliance with the new state law, proposed amendments to Sections 2 and 3 of the District's Regulations Governing Water Service would require the installation of individual District-owned meters or applicant-owned submeters (at the District's sole discretion) for all new multi-family and commercial structures regardless of their height. This change in Regulations does not impact the way the SCCs are assessed to multi-family premises, but some of the language in Schedule J – System Capacity Charge was modified to be consistent with the proposed changes in the Regulations.

Proposed amendments to the Regulations Governing Water Service, Section 1 – Explanation of Terms Used in These Regulations will define Live/Work units as residential and Work/Live units as non-residential for the purposes of assessing SCCs. The proposed additions to the Regulations define Live/Work and Work/Live units to align with the local land use designation to ensure the appropriate SCCs are assessed.

Proposed amendments to the Regulations Governing Water Service, Section 17 – Change in Size of Service allow the District to review the water use of an applicant who requests the relocation of a large meter (over 1½ inches) as part of a structure expansion or renovation to determine if the expansion or renovation would increase the applicants water demand and trigger an additional SCC. For meters over 1½ inches, the District individually assesses the expected water demand for each applicant based on a review of the intended use and attributes of the premises. This water use assessment is used to calculate the SCC for applicants requesting large meters. After the applicant pays the SCC, there is no periodic review of the actual water use of the premises for the purposes of ensuring the demand remains consistent with the originally assessed SCC. The proposed changes to the Regulations will permit the District to reassess the premises' water use if there is a change in use triggered by the expansion or renovation of a structure. Under the proposed changes to the Regulations, the District would treat premises with a change in use as a request for a new service that would replace an existing service following the requirements contained in Section G Credit for Existing Services of Schedule J – System Capacity Charge of the District's Schedule of Rates and Charges.

Exhibit 1

East Bay Municipal Utility District
Distribution System SCC Regions

Exhibit 2

Table 7. EBMUD Water SCC Review
Water System Fixed Asset Balances (as of 1/1/2017)

Account	Description	Original Cost	Current Value ENR 2017*	Allocation
1001	Auto Control System	$69,616,886	$130,527,986	System-wide
1005	Hydroelect Power Generation	$50,165,544	$144,220,541	System-wide
1015	Source of Water Supply	$116,244,212	$804,067,784	System-wide
1025	Raw Wtr Transmission	$326,793,370	$2,216,715,020	System-wide
1060	Raw Wtr Trans Pump	$40,844,897	$121,913,269	System-wide
1080	Terminal Reservoirs	$193,360,238	$912,131,705	System-wide
1100	Water Treatment	379,876,736	$869,942,907	By Region
1130	Distribution Pumping	176,813,081	$344,199,342	By Region
1140	Distribution Reservoirs	338,690,760	$1,009,832,200	By Region
1166	Distribution Mains	1,133,134,095	$3,950,910,925	By Region
1170	Distribution Aqueducts	89,169,460	$315,074,786	By Region
1175	Pressure Regulators	30,625,255	$65,910,110	By Region
1180	Venturi Meters &Cath Prot Sta	6,032,937	$12,043,414	By Region
1185	Distribution Hydrants	55,112,392	$200,614,258	By Region
1200	General Plant Structures	$217,567,238	$404,120,881	System-wide
1205	Equipment-Trans & Constr	$50,498,327	$76,710,295	System-wide
1210	Equipment-Office	$19,922,148	$34,129,781	System-wide
1215	Equipment- Eng & Lab	$3,699,288	$6,716,267	System-wide
1220	Equipment-Tools & Work	$4,516,067	$8,222,970	System-wide
1225	Equipment- Stores	$7,894	$14,041	System-wide
1230	Equipment- Shop	$1,688,016	$3,112,898	System-wide
1300	Land Source of Supply	$7,832,091	$104,260,582	System-wide
1310	Land Raw Wtr Trans	$3,710,592	$49,412,832	System-wide
1315	ROW Raw Wtr Trans	$1,229,538	$3,354,905	System-wide
1320	Land Terminal Reservoirs	$18,931,841	$223,218,265	System-wide
1330	Land Water Treatment	$2,974,390	$20,065,150	System-wide
1340	Land Reclamation	$2,174,793	$4,180,710	System-wide
1350	Land Distribution	$7,928,007	$62,439,683	System-wide
1355	Land	$1,737,088	$4,330,876	System-wide
1360	Land General Plan	$7,714,529	$22,570,044	System-wide
1910	Unallocated As Built Costs	$10,304,085	$18,950,413	System-wide
1911	Deferred Software Costs	$66,439,595	$92,266,173	System-wide
1981	Dfd EB Wtrshed Master Pln Costs	$5,900,230	$8,891,664	System-wide
1985	Dfd Lab Expansion Costs	$8,874,204	$16,624,477	System-wide
1986	Dfd Solids Receiving Costs	$728,024	$1,620,054	System-wide
1988	Prelim Eng & Environ Studies	$74,404,275	$118,052,664	System-wide
	Subtotal	$1,315,807,407	$5,612,841,932	System-wide
	Subtotal	$2,209,454,716	$6,768,527,942	By Region
	TOTAL	$3,525,262,123	$12,381,369,874	

*Original cost escalated by ENR Construction Cost Index from date of acquisition.

Source: EBMUD's ledger balance as of December 31, 2013

Table 8. EBMUD Water SCC Review
System-Wide Fixed Asset Balances in Buy-In (as of 1/1/2017)

Account	Description	Original Cost	Current Value ENR 2017*
1001	Auto Control System	$69,616,886	$130,527,986
1005	Hydroelect Power Generation	50,165,544	$144,220,541
1015	Source of Water Supply	116,244,212	$804,067,784
1025	Raw Wtr Transmission	326,793,370	$2,216,715,020
1060	Raw Wtr Trans Pump	40,844,897	$121,913,269
1080	Terminal Reservoirs	193,360,238	$912,131,705
1200	General Plant Structures	217,567,238	$404,120,881
1205	Equipment-Trans & Constr	50,498,327	$76,710,295
1210	Equipment-Office	19,922,148	$34,129,781
1215	Equipment- Eng & Lab	3,699,288	$6,716,267
1220	Equipment-Tools & Work	4,516,067	$8,222,970
1225	Equipment- Stores	7,894	$14,041
1230	Equipment- Shop	1,688,016	$3,112,898
1300	Land Source of Supply	7,832,091	$104,260,582
1310	Land Raw Wtr Trans	3,710,592	$49,412,832
1315	ROW Raw Wtr Trans	1,229,538	$3,354,905
1320	Land Terminal Reservoirs	18,931,841	$223,218,265
1330	Land Water Treatment	2,974,390	$20,065,150
1340	Land Reclamation	2,174,793	$4,180,710
1350	Land Distribution	7,928,007	$62,439,683
1355	Land	1,737,088	$4,330,876
1360	Land General Plan	7,714,529	$22,570,044
1910	Unallocated As Built Costs	10,304,085	$18,950,413
1911	Deferred Software Costs	66,439,595	$92,266,173
1981	Dfd EB Wtrshed Master Pln Costs	5,900,230	$8,891,664
1985	Dfd Lab Expansion Costs	8,874,204	$16,624,477
1986	Dfd Solids Receiving Costs	728,024	$1,620,054
1988	Prelim Eng & Environ Studies	74,404,275	$118,052,664
	TOTAL	$1,315,807,407	$5,612,841,932

*Original cost escalated by ENR Construction Cost Index from date of acquisition.

Source: EBMUD's ledger balance as of December 31, 2013

Table 10. EBMUD Water SCC Review
Adjustment of Fixed Asset Value

		Value	% of Total
1/1/17 Fixed Assets Value (Escalated by ENR)		$12,381,369,874	
6/30/16 Fixed Assets Value (Escalated by ENR)		$12,154,436,884	100%
Adjustment to Fixed Assets:			
Less Outstanding Debt (6/30/16)		-$2,808,757,000	
Plus Existing Cash Reserves (6/30/16)		$340,431,000	
Net Fixed Assets Value (6/30/16)		$9,686,110,884	79.69%
Net Fixed Assets Value (1/1/17)		$9,866,958,267	
Adjustment Factor of Fixed Assets	**79.69%**		

Table 11. EBMUD Water SCC Review
Calculation of Buy-in to System-Wide Fixed Assets

System-Wide Fixed Assets (from Table 7)		$5,612,841,932
Net System-Wide Fixed Assets Value	79.69%	$4,472,984,626
District Projected Net 2030 Consumption (gpd)		212,000,000
Buy-in to Net System Wide Fixed Assets ($/100 gpd)		**$2,109**

Table 16. EBMUD Water SCC Review
Combined Regions Regional Fixed Assets Buy-in Calculations*
(as of 1/1/17)

Account	Descr		Region1	Region 2	Region 3	Total
1100	Water Treatment		$430,386,274	$142,044,453	$297,512,181	$869,942,907
1130	Distr Pumping		$67,338,653	$117,295,538	$159,565,151	$344,199,342
1140	Distr Reserv		$276,239,068	$370,785,461	$362,807,671	$1,009,832,200
1166	Distr Main		$1,918,545,358	$843,446,354	$1,188,919,214	$3,950,910,926
1170	Distr Aqueducts		$250,117,615	$64,957,171	$0	$315,074,786
1175	Pressure Regul		$17,285,418	$40,163,804	$8,460,887	$65,910,110
1180	Venturi & Cathodic		$7,506,381	$654,078	$3,882,954	$12,043,412
1185	Distr Hydrants		$95,812,706	$34,344,834	$70,456,718	$200,614,258
	Total		3,063,231,473	1,613,691,693	2,091,604,776	6,768,527,942
	Adjusted totals	79.69%	**2,441,149,680**	**1,285,982,791**	**1,666,841,169**	**5,393,973,641**
	Regional Consumption gpd		**116,000,000**	**30,100,000**	**65,900,000**	
	Regional Buy-in $/100 gpd		**$2,104**	**$4,272**	**$2,529**	

*Original cost escalated by ENR Construction Cost Index from date of acquisition.

3. Wastewater System Rates and Charges

Chapter 3 – Wastewater System Rates and Charges

INTRODUCTION

The District updates the wastewater system charges biennially in conjunction with the development of its budget. The charges are designed to recover the costs identified in the proposed operating and capital budgets and to meet Board policy goals. Wastewater service charges that are collected on the water bill include the Service Charge, Strength Charge, and Flow Charge. Other Wastewater charges include special fees collected for the Pollution Prevention (Pollution Prevention Fees) and Pretreatment Programs (permit fees), the Wet Weather Facilities Charge collected on the property tax bill and other ancillary charges. The District completed a cost of service (COS) study in FY15 to ensure that all of the District's charges are appropriately and equitably established consistent with California law. The proposed overall increase to wastewater service charges is 5.0 percent for FY18 and 5.0 percent for FY19. Illustrations of the varying impacts of the cost of service changes and overall FY18 and FY19 rate increases are presented in this chapter.

Details of the cost of service adjustments and the FY18 and FY19 rate calculations are contained in the District's April 9, 2015 COS study and the update for FY18 and FY19, respectively (see Appendix A). They are also addressed in the General Manager's April 6, 2017 memo to the Board which discusses the proposed FY18 and FY19 rates that are subject to California Constitution article XIII D, section 6. The wastewater systems rates and charges will be effective on bills issued on or after July 1, 2017 for FY18 and on or after July 1, 2018 for FY19.

RECOMMENDATIONS

The recommendations in this section cover Wastewater System charges including Treatment Charges for Service, Strength and Flow, Permit Fees, and Wet Weather Facilities Charges.

Recommended changes to Wastewater System rates and charges are:

Wastewater Treatment Charges and Wet Weather Facilities Charges:

- Increase Wastewater Treatment Charges (Service, Strength, Flow) and Wet Weather Facilities Charge 5.0 percent overall for FY18 and 5.0 percent overall for FY19. These increases support the proposed FY18 and FY19 operating and capital expenses.
- Adopt the FY18 and FY19 Wastewater Treatment Rates and Charges as shown in Wastewater System Schedule A – Rates for Treatment Service (see Chapter 5) which includes a new business classification code for Groundwater Remediation.
- Adopt the FY18 and FY19 Wastewater System Schedule B – Wet Weather Facilities Charge (see Chapter 5).

Other Wastewater Rates, Fees and Charges:

- Increase the Wastewater Discharge Permit and Estimation Permit Fees by 5 percent in FY18 and by 5 percent in FY19 and revise the Limited Term Discharge Permit to reflect higher permit costs and lower treatment costs for groundwater remediation as shown in Schedule C – Wastewater Department Industrial Permit Fees (see Chapter 5).

- Increase the Monitoring Fee by 5 percent in FY18 and by 5 percent in FY19 as shown in Schedule D – Wastewater Department Other Fees (see Chapter 5).
- Increase the Private Sewer Lateral Compliance Certificate Fee by 11 percent and the Time Extension Certificate by 8 percent in FY18 as shown in Schedule D – Wastewater Department Other Fees (see Chapter 5).
- Add an additional rate sub-category for the material type Brine with a 12.5 percent increase in FY19 for Schedule F – Rates for Resource Recovery Material Treatment (see Chapter 5).

DISCUSSION

Wastewater Treatment Charges and Wet Weather Facilities Charge

Increase overall wastewater system charges by 5.0 percent in FY18 and 5.0 percent in FY19 –

The purpose of wastewater system charges is to cover expenditures in the District's operating and capital budgets and to meet the Board's policy goals. The proposed increases address the District's needs as presented in its proposed biennial budget for FY18 and FY19. Details of the increases in individual charges are shown below under **Wastewater System Cost of Service and FY18 and FY19 Proposed Charges.** Details of the FY18 and FY19 budget objectives, operating budget, capital expenses, and debt expenses are available in the FY18 and FY19 Proposed Biennial Budget and Capital Project Summaries.

The proposed wastewater system service charge increases for FY18 and FY19 are consistent with projections made in FY15, when the FY16 and FY17 biennial budget was adopted. At that time, it was projected that rates in FY18 and FY19 would need to increase by 5.0 percent and 5.0 percent respectively. The proposed increases are consistent with those projections. The District's ability to remain true to its projections is notable given that the FY18 and FY19 budget is based on slightly lower projections of treatment flows due to customers' reduced water use. District wastewater revenues are in part dependent upon billed water usage. Despite the fact that the recent drought has ended and water use restrictions have been lifted, it is projected that customers will maintain many of their conservation habits. The proposed service charges are based on the assumption that wastewater service charge revenue will be about 3 percent lower than had been projected for FY18 and FY19 when the FY16 and FY17 biennial budget was adopted as a result of decreased consumption from entrenched customer conservation habits. The rate increases for FY18 and FY19 are consistent with the levels projected for these years largely as a result of operating cost savings and debt savings from using more cash funding and less debt financing of capital expenditures.

Revenue from wastewater service charges needs to increase by 5.0 percent overall in FY18 and by 5.0 percent in FY19 to cover the expenditures identified in the proposed FY18 and FY19 operating and capital budgets and to meet the Board's financial policy goals. Table 1 below illustrates the amount of revenue needed from the FY18 and FY19 increases to fund FY19 expenditures. Between FY17 and FY19 operation and maintenance (O&M), debt service, and capital expenses are budgeted to increase to varying degrees. In total, expenses in FY19 are projected to be $144.6 million, 5.3 percent higher than FY17. The District can access a variety of non-wastewater service charge revenues such as bond proceeds, property taxes, and reserves. These revenues are projected to cover $44.0 million of expenditures in FY19, leaving $100.6 million to be addressed from revenues from wastewater service charges. FY17 wastewater service charge revenues would

generate $91.3 million of the necessary $100.6 million, leaving $9.3 million, or 10.0 percent, of incremental expenditures to be addressed from increases in the wastewater service charges. This 10.0 percent increase is proposed to be distributed over two years, with a 5.0 percent increase in FY18 and a 5.0 percent increase in FY19, consistent with the projections made when the FY16 and FY17 budget was adopted.

Table 1 – Revenue Shortfalls (In Million$) Addressed Through Rate Increase

	FY17	FY19	2-Yr Δ
Revenue Requirement			
+ O&M expense	$70.7	$73.1	3.4%
+ Debt service expense	29.9	31.9	6.7%
+ Capital expense	36.7	39.6	7.9%
Total expenses =	137.3	144.6	5.3%
- Other revenues	-44.2	-44.0	-0.5%
Revenue requirement =	$93.1	$100.6	8.1%
Revenue Adjustment			
+ Revenue requirement		$100.6	
- Revenue from existing rates		-91.3	
Difference =		9.3	
Total Rate Revenue Requirement Adjustment		**10%**	

Wastewater System Cost of Service Study and FY18 and FY19 Proposed Service Charges

State law and District policy requires that the District's rates and charges be based on the cost of providing service. A COS study allocates operating and capital costs to each type of customer based on both the customer's wastewater discharge characteristics and the wastewater facility design and operations. This nexus between wastewater discharge and cost forms the financial and legal basis for setting utility rates and charges. Over time, both customer wastewater discharge characteristics and costs can change and a COS study helps reconcile these changes with revenues under existing rates and charges. COS studies often result in recommended modifications to existing rates and charges.

The District retained Raftelis Financial Consultants (RFC) to perform a COS study for the water and wastewater systems. The RFC study was completed in FY15 and indicated that the District's charges were generally in line with COS principles but, as expected, the study also recommended some adjustments. The recommended adjustments were incorporated into the District's water and wastewater service charges and continued in the proposed FY18 and FY19 water and wastewater service charges. For FY18 and FY19, the District updated the original COS study for the proposed and projected FY18 and FY19 expenditures, revenues, and treatment flows (see Appendix A).

Proposed FY18 and FY19 Wastewater Service Charges

Overall, service charges are proposed to increase by 5.0 percent in FY18 and 5.0 percent in FY19. Individual service charges are rounded to the nearest whole cent after the increases are applied to the current service charges. The impact on a customer's bill of the proposed increases will differ slightly for each customer class and for individual customers within each customer class depending on the respective monthly wastewater flow. Tables 2 through 4 illustrate the impact of the proposed increases on specific charges for various categories of users. Six hundred cubic feet (CCF) per month represents the average indoor water use for residential customers. All these tables incorporate the proposed increases consistent with the COS study.

Below, in Table 2, are the customer impacts of the proposed FY18 and FY19 service charges for wastewater treatment.

Table 2 - Customer Monthly Wastewater Treatment Bill Impacts - Includes Service, Flow and Strength Charges and Pollution Prevention Fees

Wastewater Charges on Water Bill									
	Meter (Inches)	**Use (CCF)**	**FY17 Bill**	**FY18 Bill**	**Increase from FY17**	**Percent Change**	**FY19 Bill**	**Increase from FY18**	**Percent Change**
Average Single Family Residential	5/8	6	$19.93	$20.89	$0.96	4.8%	$21.95	$1.06	5.1%
Single Family Residential	5/8	9	$23.20	$24.31	$1.11	4.8%	$25.55	$1.24	5.1%
Multi-Family Residential 4 dwelling units	1	25	$64.16	$67.21	$3.05	4.8%	$70.64	$3.43	5.1%
Multi-Family Residential 5+dwelling units	1	50	$130.55	$136.33	$5.78	4.4%	$143.62	$7.29	5.3%
Commercial	1	50	$135.03	$140.81	$5.78	4.3%	$148.10	$7.29	5.2%
Industrial	2	500	$7,261.03	$7,621.31	$360.28	5.0%	$8,006.60	$385.29	5.1%

The unit rates listed in Table 3 below are used to calculate the Strength Charge and Flow Charge for residential and non-residential customers based on the billable constituents in their wastewater discharge. The unit rates are based upon an allocation of costs to billable constituents for flow, chemical oxygen demand filtered (CODF) and total suspended solids (TSS) which are used to determine the unit cost for each billable constituent. The unit rate increases listed in Table 3 combine the results of the COS study with the overall rate increases for FY18 and FY19.

Table 3 - Proposed Wastewater Treatment Unit Rates

Wastewater Treatment Unit Rates					
Unit Rates	**FY17**	**FY18**	**Percent Change**	**FY19**	**Percent Change**
Service Charge ($/account)	$5.55	$5.83	5.0%	$6.12	5.0%
Flow ($/CCF)	1.085	1.139	5.0%	1.196	5.0%
Strength - CODF ($/pound)	0.321	0.337	5.0%	0.354	5.0%
Strength -Total Suspended Solids ($/pound)	0.469	0.492	4.9%	0.517	5.1%

Residential Service Charges

The residential service charge on the water bill is composed of the Wastewater Service Charges and a separate San Francisco Bay Pollution Prevention Program Fee.

For the Wastewater Service Charges, unit rates are applied to residential discharge characteristics to calculate the fixed residential Strength Charge. Residential customers also pay the Service Charge and a Flow Charge that varies with water use to a maximum of 9 CCF per month per dwelling unit. Under the proposed increase, the average wastewater charges on the residential customer bill will increase $0.96 per month in FY18 from $19.93 to $20.89 (4.8 percent). For FY19, the average wastewater bill will increase $1.06 per month from $20.89 to $21.95 (5.1 percent). The monthly charges include the San Francisco Bay Pollution Prevention Program Fee, which remains at $0.20 per month for FY18 and FY19 for residential customers. In addition to the wastewater service charges collected on the water bill, wastewater customers also pay a Wet Weather Facilities Charge (described below) collected on the property tax bill depending on lot size.

Exhibit 1 compares the estimated annual residential wastewater collection and treatment service charges with comparable charges of other agencies. The total estimated average District charge for FY18, including the San Francisco Bay Pollution Prevention Fee and Wet Weather Facilities Charge, is $349 per year for treatment and wet weather. It should be noted that in Exhibit 1 the individual city charges for wastewater collection services are added to the District's service charges in order to calculate the total charge for residential wastewater service. The total residential service charges are then compared to similar service charges for other agencies and communities in the Bay Area.

Non-residential Service Charges

Non-residential users are assigned typical waste strengths by business classification code for CODF and TSS. The unit rates are applied to the assigned strengths for each business classification code to determine individual non-residential combined flow and strength charges ($ per CCF). The proposed FY18 and FY19 non-residential combined flow and strength charges for each business classification code (BCC) rates are shown on Schedule A – Wastewater Department

Rates for Treatment Service under Chapter 5. These charges are based on the FY18 and FY19 proposed unit rates for flow and strength as determined by the COS study and the overall 5.0 percent increases for FY18 and FY19. The non-residential combined flow and strength charges have been rounded to the nearest whole cents ($ per CCF). The resulting increase in the non-residential combined flow and strength charges ranges from 4.0 percent to 5.3 percent when compared to FY17, depending on business classification code. In FY19, the 5.0 percent overall rate increase results in non-residential combined flow and strength charges that are 4.9 percent to 5.4 percent higher than the FY18 charges. In addition to the wastewater service charges collected on the water bill, wastewater customers also pay a Wet Weather Facilities Charge collected on the property tax bill depending on lot size (described below). For customers who do not receive a property tax bill (tax-exempt entities) the charge is collected on the water bill.

After a review of the Limited Term Discharge Permit (see below), the District proposes to add a new BCC non-residential combined Flow and Strength Charge for 4951 Groundwater Remediation. The discharges using the Limited Term Discharge Permits are typically for construction dewatering projects and had previously been assigned the combined Flow and Strength Charge of $0.02 per gallon for groundwater under the Resource Recovery rates. After further review, the District proposes that Limited Term Discharge Permits be charged a Groundwater Remediation combined strength and flow rate of $0.0016 per gallon or $1.18 per CCF, using the strength concentrations of 15 milligrams per liter (mgl) for CODF and 2 mgl for TSS.

Non-residential users also pay the proposed Service Charge of $5.83 in FY18 and $6.12 in FY19 on their monthly water service bill. The San Francisco Bay Pollution Prevention Fee of $5.48 for FY18 and FY19 is also included on the monthly water service bill for non-residential users.

Wet Weather Facilities Charge

The Wet Weather Facilities Charge funds the capital expenses of the District's infiltration and inflow facilities that are required to handle the wet weather flows that enter the wastewater system. The capital facilities are sized to meet the peak wet weather flows. The amount of wet weather flows that enter the wastewater system is proportional to the size of the collection system to serve each property. Consequently, the charge is based on a customer's lot size. Larger lots have the potential for more wet weather flows that may enter the wastewater system than smaller lots. The proposed Wet Weather Facilities Charge is based on lot size for all customers. Customers will fall within three generalized lot sizes: Small Lot (0 to 5,000 square feet (sq ft)), Medium Lot (5,001 to 10,000 sq ft), and Large Lot (over 10,000 sq ft). Beginning in FY18, the Schedule F – Wet Weather Facilities Charge will be reordered in the Wastewater Rates, Charge, and Fees to Schedule B – Wet Weather Facilities Charge.

Table 4 shows the proposed 5.0 percent increase in FY18 and FY19 for the Wet Weather Facilities Charge for each of the three lot size categories.

Table 4 - Proposed Wet Weather Facilities Charge - ($/Lot Size)

Wet Weather Facilities Charge on Property Tax Bill							
Lot Size	FY17 Bill	FY18 Bill	Increase from FY17	Percent Change	FY19 Bill	Increase from FY18	Percent Change
Small Lot 0 - 5,000 sq.ft.	$94.10	$98.80	$4.70	5.0%	$103.74	$4.94	5.0%
Medium Lot 5,001 - 10,000 sq.ft	$147.00	$154.34	$7.34	5.0%	$162.06	$7.72	5.0%
Large Lot >10,000 sq.ft	$336.00	$352.80	$16.80	5.0%	$370.44	$17.64	5.0%

Wastewater Pollution Prevention and Pretreatment Fees

The District must undertake a variety of activities to successfully operate the Pretreatment Program and Pollution Prevention Program required by the United States Environmental Protection Agency (EPA) and the State of California.

Pretreatment Program activities include:

- Establishing discharge permit and monitoring requirements for industrial and commercial users
- Conducting inspections of industrial and commercial facilities
- Sampling industrial and commercial users' waste streams
- Reviewing industrial and commercial user reports
- Determining industrial and commercial user compliance status
- Initiating enforcement actions
- Reporting progress to the EPA and the Regional Water Quality Control Board (RWQCB)

San Francisco Bay Pollution Prevention Program activities include:

For non-residential customers -

- Identifying and monitoring pollutants of concern
- Identifying types of commercial businesses that discharge the pollutants of concern, collaborating with professional associations to develop and implement feasible pollutant control strategies, issuing permits with appropriate requirements to businesses in the identified category, and establishing inspection programs for the businesses
- Inspecting facilities in the identified business types to confirm implementation of best management practices
- Developing Pollution Prevention control strategies and conducting pollution prevention opportunity assessments and audits
- Conducting targeted outreach for identified business types including developing and distributing best management practices information and pollution prevention literature

- Developing source monitoring and surveillance techniques
- Coordinating with other wastewater agencies to obtain efficiencies in program development and production of outreach materials
- Provide pollution prevention information for businesses on the District's website

For residential customers -
- Targeting outreach for residential discharges of pollutants of concern
- Developing collaborative efforts with other wastewater agencies to obtain economies of scale and other efficiencies
- Establishing strategic partnerships with other organizations such as Save The Bay, Baykeeper, and Environmental Working Group
- Conducting research to identify possible control strategies for residential sources of emerging pollutants of concern
- Developing and implementing product stewardship activities
- Providing opportunities for residential customers to dispose of targeted pollutants in an environmentally responsible manner
- Providing pollution prevention information for residents on the District's website

To effectively implement and ensure compliance with the Federal and State pretreatment program regulations, the District implements a permitting, monitoring, and enforcement response system approved by the EPA. The EPA requires that the District provide sufficient budget and staff for program implementation. Sufficient resources and qualified personnel are funded primarily by fees that are applied to industrial and commercial users. Each year, the District's Pretreatment and Pollution Prevention Program budget and source of funding is reviewed by the EPA and RWQCB.

In response to continuing changes in the National Pretreatment Program and to meet requirements of the District's Main Wastewater Treatment Plant National Pollutant Discharge Elimination System Permit, the District must continue to upgrade the Pretreatment Program and the Pollution Prevention program. Funds for the Pollution Prevention Program are generated by the San Francisco Bay Pollution Prevention Fees from residential and non-residential customers. Funds to operate the Pretreatment Programs are generated from fees for Wastewater Discharge Permits, Monitoring and Testing, and Violation Follow-up activities.

Pollution Prevention Program

The Pollution Prevention Program, required by the RWQCB, develops and implements strategies to minimize and monitor pollutants from both residential and non-residential sources. The fee applies to accounts in the District's wastewater service area to cover costs for program implementation. The San Francisco Bay Pollution Prevention Program Fee for non-residential customers will remain $5.48 per month for FY18 and FY19. The fee for residential customers will remain $0.20 per month for FY18 and FY19. In order to reduce residential pollutants that may harm the District's wastewater treatment plant, the Pollution Prevention Program reduces residential pollutants such as mercury, pesticides, and pharmaceuticals from the sewer system through targeted outreach, and partnerships with a variety of non-governmental organizations such as Save The Bay, Baykeeper, and Environmental Working Group. The District also conducts residential outreach and provides fats, oils, and grease drop-off locations to prevent sanitary sewer overflows in its wastewater service area. The San Francisco Bay Pollution Prevention Fees are collected on the water bill in addition to the wastewater service charge.

Pretreatment Program

Wastewater Permits

There are three types of Wastewater Permits: 1) Wastewater Discharge Permit, 2) Estimation Permit, and 3) Limited Term Discharge Permit. Each has a fee to recover costs.

1. The Wastewater Discharge Permit establishes compliance reporting requirements, site-specific discharge limitations, industry self-monitoring requirements, and billing conditions for unique wastewater strength and flow. Wastewater Discharge Permits are extremely detailed and include specific provisions required by the EPA and the State. Staff must review permit application documents, develop permit requirements, review compliance reports, revise permits to incorporate rate or regulatory changes, provide information to industrial users and maintain electronic and hard copy data files. The renewal frequency of the Wastewater Discharge Permits is 5 years with an annual permit fee. The proposed increase reflects actual District staff costs, which even with 5-year permits requires an annual permit review. For FY18, the annual permit fee is recommended to be $2,580, an increase of $130 over the FY17 fee. For FY19 the annual permit fee is recommended to be $2,700, an increase of $120 over the FY18 fee as shown on Schedule C – Wastewater Department Industrial Permit Fees under Chapter 5.

2. The Estimation Permit establishes billing conditions when wastewater volumes cannot be determined by District water meters due to significant non-sewer use, such as irrigation. Estimation Permits are optional and issued at the request of a discharger when wastewater flow is significantly less than metered water consumption. In issuing these permits, staff must review permit application documents, develop permit requirements, review compliance reports, revise permits to incorporate rate or regulatory changes, provide information to industrial users, and maintain electronic and hard copy data files. The proposed increase reflects actual District staff costs. For FY18, the permit fee is recommended to be $970, an increase of $50 over the FY17 fee. For FY19 the permit fee is recommended to be $1,015, an increase of $45 over the FY18 fee as shown on Schedule C – Wastewater Department Industrial Permit Fees under Chapter 5.

3. Limited Term Discharge Permits are issued for special wastewater discharge conditions not included in the District's permit and fee structure. Typical uses of the limited term permit would be for construction dewatering or remediation projects. The permit fee covers the cost of labor required to review the application, issue the permit, including establishing pretreatment conditions when necessary, and monitor/inspect discharge conditions. The treatment cost is not included in the permit fee and had been previously based on the Resource Recovery rate schedule for groundwater waste treatment charge of $0.02 per gallon. After a review of the District's costs to issue and administer the permit and the costs to treat the discharge from Limited Term Discharge Permits, the District proposes to increase the permit fee from $995 per year to $2,500 and reduce the treatment charge from $0.02 per gallon to $0.0016 per gallon ($1.18 per CCF) for FY18. The current permit fee does not cover the District's costs to issue and administer the permit. Because these permits are for construction projects, the District has to manage unexpected delays, changes in site conditions and permit expiration extensions resulting in needed permit revisions and or additional administrative time to manage. While the District is proposing to increase the permit fee to recover its costs, the treatment charge for Limited Term

Discharge Permits is proposed to decrease 92 percent to reflect the very limited strength of the discharge. Typically there are 22 Limited Term Discharge Permits per year.

Monitoring Fee

For some Wastewater Discharge Permits issued to industrial users, the District requires monitoring and testing of the discharge. The Monitoring Fee recovers the cost of labor and equipment to perform field inspections, collect and coordinate samples for lab testing, install and maintain field monitoring equipment, and prepare inspection reports. Staff recommends that the current fee of $1,300 be increased to $1,360 in FY18 and to $1,430 in FY19 as shown on Schedule D – Wastewater Department Other Fees, under Chapter 5. These increases reflect the actual staff costs to perform the monitoring activities.

Private Sewer Lateral Program Fees

The District has been operating under a Consent Decree with the EPA, State Water Resources Control Board, the RWQCB and the District's satellite collection system agencies since September 2014. As part of the Consent Decree, the District is required to implement a Regional Private Sewer Lateral (PSL) Ordinance. The ordinance requires property owners to obtain a compliance certificate from the District when they hit one of three triggers: transferring title to property (e.g., buying/selling a home), performing remodeling or construction work valued at greater than $100,000, or increasing or decreasing water meter size. The District has been implementing this program since August 2011, having been under a prior regulatory order. The current fee for the compliance certificate is $225 and was last increased in FY14. To recover the District's costs for the inspection and to issue the compliance certificate, the compliance certificate fee is proposed to increase to $250 for FY18. The charge for a time extension certificate is also proposed to increase in FY18 from $93 to $100 to reflect the District's costs.

TABLE 5 – SUMMARY OF PROPOSED PERMIT FEE CHANGES

Description	FY17 Fee	Proposed FY18		Proposed FY19	
		Fee	$ Incr	Fee	$ Incr
Wastewater Discharge Permit	$2,450	$2,580	$130	$2,700	$120
Estimation Permit	$920	$970	$50	$1,015	$45
Limited Term Discharge Permit	$995	$2,500	$1,505	$2,500	-
Monitoring Fee (per event if required)	$1,300	$1,360	$60	$1,430	$70
Private Sewer Lateral Compliance Fees - Compliance Certificate	$225	$250	$25	$250	-
Private Sewer Lateral Compliance Fees - Time Extension Certificate	$93	$100	$7	$100	-

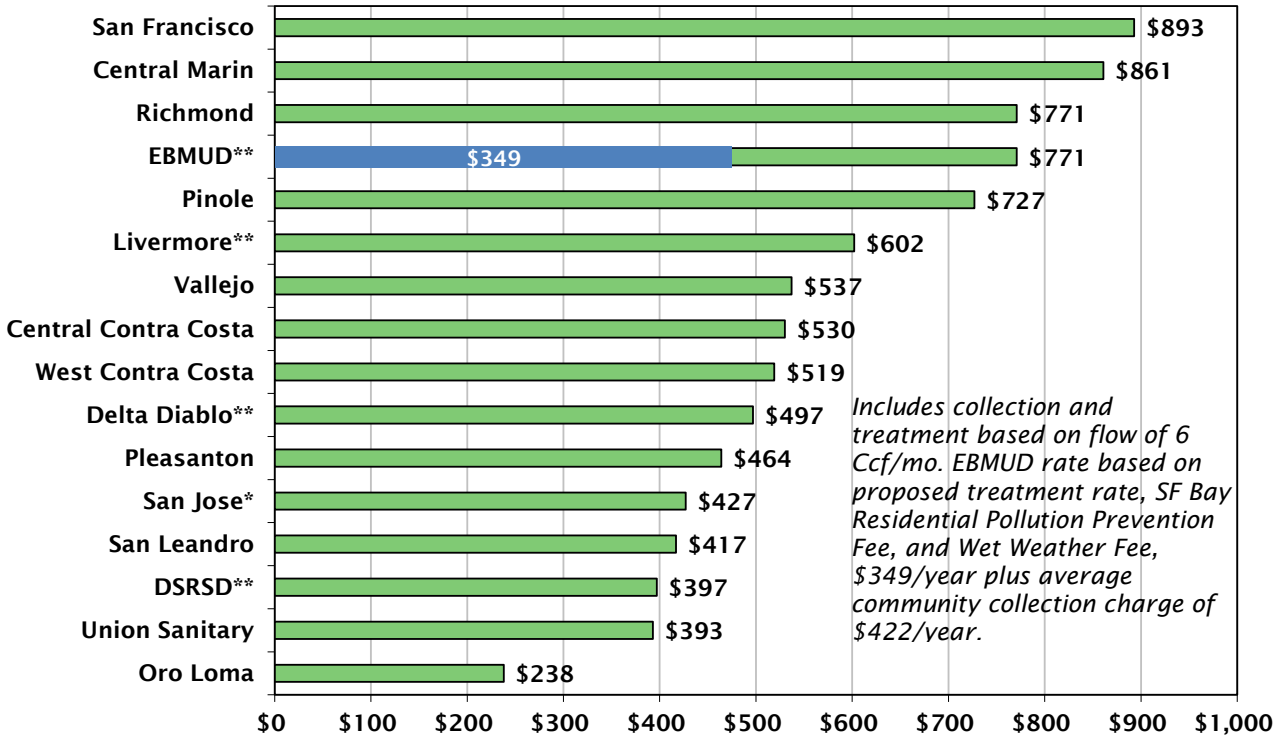
Resource Recovery Program

The Resource Recovery program has been a significant source of revenue for the District through utilization of excess capacity at the Main Wastewater Treatment Plant (MWWTP) by the acceptance of trucked wastes. This program provides an environmentally sound disposal alternative to the community while maintaining fiscal responsibility to the ratepayers by utilizing the asset of the MWWTP's excess capacity. Based on the District's experience in operating the Resource Recovery program and the knowledge of customer's waste streams, the District proposes to divide the Gray Water material type into three sub-categories (currently two sub-categories) and to rename the material type to Brine to better reflect the nature of the material and be more consistent with common industry terminology. The FY18 rate for the new middle sub-category would be $0.05 per gallon, a $0.01 per gallon increase over the current two sub-category rate. In FY19, the District proposes to increase the middle sub-category for Brine from $0.05 per gallon to $0.06 per gallon and the highest sub-category from $0.08 per gallon to $0.09 per gallon to reflect increased cost of treatment. For FY18, the Schedule B – Rates for Resource Recovery Waste Treatment will be reordered in the Wastewater Rates, Charge, and Fees to Schedule F – Rates for Resource Recovery Waste Treatment.

Exhibit 1

COMPARATIVE RESIDENTIAL WASTEWATER CHARGES

Annual Single Family Charges – July 2017



*FY17 rates, possible rate increases for July 2017
**Proposed FY18 rates

4. Wastewater Capacity Fees

Chapter 4 – Wastewater Capacity Fees

INTRODUCTION

The Wastewater Capacity Fee (WCF) was implemented in 1987 to recover costs of 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 that 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.

RECOMMENDATIONS

- Adopt the FY18 Schedule G for the Wastewater Department Capacity Fees. The proposed fees include the fifth year of the five-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.

The changes and updates recommended for the WCF will be effective on August 14, 2017.

DISCUSSION

In 2013 the Board approved a modification to the wastewater treatment capacity used in the WCF calculation from the design-capacity value of 120 million gallons per day (MGD) to a build-out capacity of 85 MGD to reflect the treatment capacity required to serve the build-out service population of the wastewater service area. The modifications to the WCF calculations were recommended by a financial rate consultant hired to conduct a comprehensive study of the District’s WCF methodology. The Board approved the change in the WCF calculation and phased the change in over five years. If the change to the design capacity had been implemented in one step, the unit rates of the WCF would have increased in FY14 by 49.2 percent for flow, 154.8 percent for CODF and 45.7 percent for TSS and the resulting WCF increase for FY14 to the single family connection would be have been 60.2 percent. Staff recommended and the Board agreed to a five-year phase-in of the change.

For FY18 staff has updated the WCF calculations to reflect construction cost escalations. These calculations are shown in Tables 1 through 5. In addition, the fifth year of the five-year phase-in of the modification of the WCF calculation was implemented. For FY18, the WCF rate is proposed to increase by 16.7 percent for the single-family connection, going from $2,150 to $2,510. Table 1 shows the proposed unit capacity rates for FY18 for the fifth year and final year of the 5-year phase-in. The entire list of proposed capacity fees for FY18 is contained in Schedule G – Wastewater Department Capacity Fees in Chapter 5. The updated calculations for the WCF are shown in Tables 2 through 4 of Exhibit 1.

TABLE 1 UNIT WASTEWATER CAPACITY FEE RATES WITH PROPOSED DESIGN FLOW MODIFICATION

Unit Capacity Rate	Current	FY18 PHASED-IN YR 5	% Incr
Flow /Ccf/Month	$159.07	$184.44	15.9%
CODF /lbs/Month	$ 46.88	$ 57.27	22.2%
TSS /lbs/Month	$ 63.10	$ 72.96	15.6%

Single Family Capacity Fee	**$2,150**	**$2,510**	**16.7%**

Exhibit 1

Table 2
EBMUD Wastewater Capacity Fee Analysis
Asset Values by Class Code (as of 1/1/17)

Class Code	Class Description	Original Value Class Total	2017 ENR Adjusted Value Class Total
WW0301 Total	North Interceptor	$41,667,643	$121,145,149
WW0302 Total	South Interceptor	34,258,339	190,255,304
WW0303 Total	Alameda Interceptor	9,630,895	42,637,024
WW0304 Total	Estuary Crossing	456,493	8,447,836
WW0305 Total	Central Avenue Interceptor	8,938,996	15,899,938
WW0306 Total	South Foothill Interceptor	21,468,263	41,159,149
WW0307 Total	Adeline Street Interceptor	18,612,785	33,961,079
WW0308 Total	Powell Street Interceptor	5,290,727	9,830,497
WW0309 Total	ANAS Interceptor	3,487,760	5,790,023
WW0310 Total	Wood St Interceptor	798,725	1,351,965
WW0311 Total	Mwwtp-Outfall Land	2,078,909	36,849,604
WW0312 Total	Mwwtp-Outfall Submarine	5,545,770	34,780,151
WW0313 Total	Mwwtp-Outfall Bridge	238,025	543,100
WW0321 Total	Pump Station A-Albany	3,671,840	6,770,313
WW0322 Total	Pump Station B-Fernside	6,626,560	13,178,232
WW0323 Total	Pump Station C-Krusi Park	13,118,647	26,693,498
WW0324 Total	Pump Station D-Oak Street	1,457,339	2,346,075
WW0325 Total	Pump Station E-Grand Street	1,437,475	2,168,411
WW0326 Total	Pump Station F-Atlantic Avenue	1,858,182	4,868,584
WW0327 Total	Pump Station G-Airport	2,676,794	5,920,550
WW0328 Total	Pump Station H-Fruitvale	11,425,516	21,051,371
WW0329 Total	Pump Station J-Frederick Street	1,353,719	4,151,076
WW0330 Total	Pump Station K-7Th Street	1,426,705	4,219,690
WW0331 Total	Pump Station L	4,860,237	9,215,968
WW0333 Total	Pump Station Q- Wet Weather Page St Berkeley	570,705	982,242
WW0334 Total	Pump Station N (new)	6,329	8,366
WW0335 Total	ANAS Pump Station	7,367,039	12,234,414
WW0341 Total	Mwwtp-Influent Pump Station	33,580,591	74,015,935
WW0342 Total	Mwwtp-Effluent Pump Station	18,614,506	48,759,907
WW0343 Total	Pt. Isabel Tp-Treatment & Pretreatment Structures	45,242,670	77,515,504
WW0344 Total	Pump Station M - Bridgeway	1,817,199	3,101,830
WW0346 Total	Mwwtp-Mid-Plant Pump Station	6,638,722	10,483,782
WW0347 Total	Mwwtp-Water Pump Station #3	896,125	1,724,766
WW0348 Total	Mwwtp-Wet Weather Pump Station	950,812	1,403,628
WW0349 Total	Mwwtp-Washdown Pump Station	215,504	414,779
WW0351 Total	Mwwtp-Aerated Grit Tanks	7,026,001	25,649,076
WW0352 Total	Mwwtp-Chlorine System	126,681	158,709
WW0354 Total	Point Richmond-Pretreatment Structure	8,000	14,459
WW0355 Total	Oakport Wet Weather-Pretreatment Structure	8,697,836	18,927,126
WW0356 Total	Oakport Wet Weather-Pretreatment Structure	737,462	1,606,097
WW0357 Total	Mwwtp-Grit Dewatering Station	12,447,091	17,279,214
WW0358 Total	Mwwtp-Channel Crossing For Bypass Channel	4,780,140	9,200,306
WW0359 Total	Mwwtp 90" Pipe-Primry Effluent Bypass	2,005,802	3,860,555
WW0360 Total	Mwwtp 72" Pipe-Primry Influent Bypass	2,540,549	4,737,337
WW0361 Total	Mwwtp-Diversion Structure	25,290,502	72,015,088
WW0362 Total	Mwwtp-Bypass Inlet Structure	15,415,976	64,809,356

Table 2 (cont.)

Class Code	Class Description	Original Value Class Total	2017 ENR Adjusted Value Class Total
WW0363 Total	North Interceptor Junction Storage	341,675	1,073,471
WW0364 Total	Mwwtp-Bypass Outlet Structure	587,432	1,819,499
WW0365 Total	Mwwtp-Final Effluent Bypass Channel	1,910,831	2,476,298
WW0366 Total	Mwwtp-Storage Basin	20,495,220	40,065,596
WW0368 Total	Mwwtp-Interem Sludge Disposal Facility	528,794	1,159,790
WW0369 Total	Mwwtp-Reactor Deck Area-Oxygen Production	11,292,511	26,738,477
WW0370 Total	Mwwtp-Secondary Treatment Facility	63,097,122	177,138,629
WW0371 Total	Mwwtp-Grounds & Improvements	10,586,649	57,232,139
WW0372 Total	Mwwtp-Administration And Lab Building	14,623,984	24,359,995
WW0373 Total	Mwwtp-Service Building	85,103	1,492,656
WW0374 Total	Mwwtp-Chemical Storage Building (Relocated)	3,099,994	5,327,266
WW0375 Total	Mwwtp-Administration And Lab Center	28,694,859	60,073,375
WW0376 Total	Mwwtp-Maintenance Center	12,537,129	24,303,051
WW0381 Total	Mwwtp-Process Water Plant	3,234,026	11,885,583
WW0382 Total	Mwwtp-Dechlorination Station	11,538,235	21,334,013
WW0383 Total	Mwwtp-Sludge Digestion Facilities	70,847,958	114,138,505
WW0384 Total	Mwwtp-Sludge Dewatering Facilities	39,171,706	63,312,256
WW0385 Total	Mwwtp-Temp Sludge Dewatering Facility	1,862,957	2,789,625
WW0386 Total	Mwwtp-Power Generation Station	79,725,786	124,107,727
WW0387 Total	Mwwtp-Filter Plant Solids Handling Facility	20,576,772	28,108,064
WW0388 Total	Mwwtp-Odor Control At Sludge Thickener	15,478,993	30,908,586
WW0390 Total	Mwwtp-Compost Area	138,697	280,323
WW0391 Total	Oakport WW-Chlor System	591,003	1,281,591
WW0392 Total	Oakport WW-DeChlor System	925,477	1,877,833
WW0393 Total	Oakport WW-Control Bldg	1,439,408	3,134,020
WW0394 Total	Oakport WW-Emg Gen	708,623	1,543,289
WW0395 Total	Oakport WW-Drainage	1,160,534	2,527,492
WW0396 Total	Oakport WW-Washwtr Pump Sta.	121,075	263,687
WW0397 Total	Oakport WW-Storage Bldg.	436,931	951,580
WW0398 Total	Oakport WW-Lscape/Pav/Fence	1,996,609	4,332,523
WW0399 Total	Mwwtp-Scum Dewatering Station	8,971,497	13,382,625
WW0400 Total	Mwwtp-Chemical Trench	720,479	1,386,702
WW0401 Total	Mwwtp-Piping For Plant Utilities	26,513,219	50,042,456
WW0402 Total	Mwwtp-Chlorination Building	4,251,633	8,145,536
WW0450 Total	Mwwtp-Composting Facility	1,455,854	2,007,156
WW0500 Total	San Antonio Creek Wet Weather TP	13,470,868	24,343,003
WW0501 Total	San Antonio Creek Ww Dechlorination Facility	3,590,821	6,075,599
WW0502 Total	San Antonio Creek Ww Outfall Structure	2,682,144	4,839,014
WW0503 Total	San Antonio Creek Ww Gravity Sewer	540,029	976,056
WW0504 Total	San Antonio Creek Ww Lake Merritt Channel Crossing	1,759,796	3,180,682
WW0505 Total	San Antonio Creek Ww Outfall Subequacous Pipeline	2,278,822	4,118,777
WW0506 Total	Mwwtp-Bulk Storage Area	4,675,143	8,449,924
WW0507 Total	Mwwtp-Pre-Chlorination Facility	1,451,611	2,623,663
WW0508 Total	Mwwtp-Sodium Bisulfite Area	2,228,383	4,027,613
WW0917 Total	Mwwtp-Field Services Bldg	2,707,085	4,301,320
WWLAND Total	Wastewater Land - General	14,461,026	19,115,566
WWPEQP Total	All Wastewater Portable Equipment	14,399,671	21,790,572
Grand Total		$921,356,762	$2,106,980,261

Table 3
EBMUD Wastewater Capacity Fee Analysis
Summary of Grant Funded Fixed Assets (as of 1/1/17)

Description	Original Cost	Year	2017 ENR Adjusted Value
Digester	$15,070,000	1976	$66,092,087
Dewatering	4,435,827	1978	16,826,102
Temp. Dewatering	340,000	1978	1,289,697
Oxygen Production	4,086,325	1977	16,703,805
Secondary Reactors	16,260,000	1977	66,466,537
Secondary Clarifiers	12,040,000	1977	49,216,304
Grit Facilities	570,000	1976	2,499,833
Operations Center	760,000	1976	3,333,111
Scum Sys Equip	120,000	1976	526,281
Post Chlorination Equip	70,000	1976	306,997
Secondary Sys Channels	3,480,000	1976	15,262,141
Allocation of other SD	290,000	1976	1,271,845
Dechlorination	1,230,000	1978	4,665,670
Outfall Structure	450,000	1974	2,345,792
Operations Center	1,520,000	1976	6,666,222
Adm & Lab Bldg	1,950,000	1976	8,552,062
Maint. Bldg	780,000	1976	3,420,825
Lab Equip	320,000	1976	1,403,415
Process Water Plant	3,070,000	1977	12,549,340
Grounds & Imprvmnt	540,000	1977	2,207,376
Main pump Equip	590,000	1976	2,587,547
Effl. Pump Equp	960,000	1976	4,210,246
Grit Tanks	3,130,000	1976	13,727,155
Sedim Tanks	5,560,000	1976	24,384,340
Interim Sludge	460,000	1971	3,063,757
Post Chlorination	210,000	1967	2,058,939
Total	$78,290,000		$331,637,426

Table 4
FY18 EBMUD Wastewater Capacity Fee Analysis
Without Phasing

			Without Phasing Proposed FY18	Without Phasing Current FY17
Present Value Calculation				
Present Value (PV) of Existing Facilities (1)			$2,106,980,261	$2,027,943,490
PV of Grant Funded Facilities			(331,637,426)	(319,197,086)
Less Outstanding Bonds and Loans			(431,395,000)	(433,384,000)
Cash Reserve as Asset			76,225,600	68,161,200
Net Present Value			**1,420,173,435**	**1,343,523,604**
Unit Cost Calculation	**Allocation (2)**	**Cost Allocation**	**Unit Cost/month**	**Unit Cost/month**
Flow	44.89%	637,515,855	184.44	174.49
41477000 ccf/yr			$/ccf	$/ccf
CODF	20.59%	292,413,710	57.27	54.18
61274000 lbs/yr			$/lb	$/lb
TSS	34.52%	490,243,870	72.96	69.02
80632000 lbs/yr			$/lb	$/lb
Derivation of Single Family WCF				
Flow			1,235.78	1169.08
6.7 ccf/mo				
CODF			452.41	427.99
7.90 lbs/mo				
TSS			823.72	779.26
11.29 lbs/mo				
Total			$2,511.90	$2,376.33
		Round to	**$2,510**	
% Increase			**5.6%**	

Notes:
(1) Present value calculated based on escalation by ENR
(Source of SD-1 fixed asset list - Finance Department, Accounting Systems)
(2) Based on 2000 Carollo study model allocations.

Table 5
FY17 EBMUD Wastewater Capacity Fee Analysis
5-Year Phase-in of Modification to WCF Calculation

	Without Phasing					
	FY13	FY14	FY15	FY16	FY17	FY18
Flow Unit Cost $/CCF	$97.40	$145.30	$158.83	$167.05	$174.49	$184.44
CODF Unit Cost $/lbs	17.70	45.1	49.31	51.87	54.18	57.27
TSS Unit Cost $/lbs	39.40	57.4	62.83	66.08	69.02	72.96
SFR Connection Charge	1,235	1,978	2,163	2,275	2,376	2,510

	With 5-Yr Phase-In					
		Year 1	Year 2	Year 3	Year 4	Year 5
	FY13	FY14	FY15	FY16	FY17	FY18
Flow Unit Cost $/CCF	$97.40	$106.98	$121.97	$139.19	$159.07	$184.44
CODF Unit Cost $/lbs	17.70	23.18	30.34	38.20	46.88	57.27
TSS Unit Cost $/lbs	39.40	43.00	48.77	55.41	63.10	72.96
SFR Connection Charge	1,235	1,385	1,607	1,860	2,150	2,510

RECOMMENDED SCHEDULES OF RATES, CHARGES AND FEES

FY18

<u>Water System</u>

Schedule A – Rate Schedule for Water Service

Schedule B – Account Establishment Charge

Schedule C – Charges for Special Services

Schedule H – Standard Participation Charge (SPC)

Schedule J – System Capacity Charge (SCC)

Schedule L – Drought Surcharge Rate Schedule for Water Service

Schedule M – Water Service Estimate Application Fees

Schedule N – Water Demand Mitigation Fees

Regulations Section 1 – Explanation of Terms Used in These Regulations

Regulations Section 2 – Applying for Service

Regulations Section 3 – Standard Service

Regulations Section 17 – Change in Size of Service

Regulations Section 26 – Protection of Public Water Supply

Regulations Section 31 – Water Efficiency Requirements

Real Property Use Application Fees

Public Records Act Fee Schedule and District Publications Fees

Recreation Use Fees for Calendar Years 2018 and 2019

<u>Wastewater System</u>

Schedule A – Rates for Treatment Service

Schedule B – Wet Weather Facilities Charge

Schedule C – Industrial Permit Fees

Schedule D – Other Fees

RECOMMENDED SCHEDULES OF RATES, CHARGES AND FEES

FY18
(Continued)

Schedule F – Rates for Resource Recovery Material Treatment

Schedule G – Capacity Fees

Schedule A

Rate Schedule for Water Service

FY18

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	~~$20.69~~	$22.60
1 inch meter	~~31.24~~	34.13
1-1/2 inch meter	~~57.65~~	62.98
2 inch meter	~~89.32~~	97.58
3 inch meter	~~173.79~~	189.87
4 inch meter	~~268.83~~	293.70
6 inch meter	~~532.77~~	582.05
8 inch meter	~~849.53~~	928.11
10 inch meter	~~1,219.07~~	1,331.83
12 inch meter	~~1,694.22~~	1,850.94
14 inch meter	~~2,169.34~~	2,370.00
16 inch meter	~~2,750.06~~	3,004.44
18 inch meter	~~3,330.76~~	3,638.86

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
(Continued)

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.:

Potable Water Service	WATER FLOW CHARGE PER 100 CU. FT.	
Single Family Residential Accounts:		
For the first 172 gpd	~~$3.16~~	$3.45
For all water used in excess of 172 gpd, up to 393 gpd	~~4.34~~	4.74
For all water used in excess of 393 gpd	~~5.74~~	6.27
Multiple Family Residential Accounts:		
For all water used	~~4.46~~	4.87
All Other Water Use:		
For all water used	~~4.44~~	4.85

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.

Nonpotable/Recycled Water Service	WATER FLOW CHARGE PER 100 CU. FT.	
For all water used	~~$3.46~~	$3.78

SCHEDULE A

RATE SCHEDULE FOR WATER SERVICE
(Continued)

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	~~$41.38~~	$45.20
1 inch meter	~~62.48~~	68.26
1-1/2 inch meter	~~115.30~~	125.96
2 inch meter	~~178.64~~	195.16
3 inch meter	~~347.58~~	379.74
4 inch meter	~~537.66~~	587.40
6 inch meter	~~1,065.54~~	1,164.10
8 inch meter	~~1,699.06~~	1,856.22
10 inch meter	~~2,438.14~~	2,663.66
12 inch meter	~~3,388.44~~	3,701.88
14 inch meter	~~4,338.68~~	4,740.00
16 inch meter	~~5,500.12~~	6,008.88
18 inch meter	~~6,661.52~~	7,277.72

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
(Continued)

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.

Potable Water Service	WATER FLOW CHARGE PER 100 CU. FT.	
Single Family Residential Accounts:		
For the first 172 gpd	~~$3.16~~	$3.45
For all water used in excess of 172 gpd, up to 393 gpd	~~4.34~~	4.74
For all water used in excess of 393 gpd	~~5.74~~	6.27
Multiple Family Residential Accounts:		
For all water used	~~4.46~~	4.87
All Other Water Use:		
For all water used	~~4.44~~	4.85

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.

Nonpotable/Recycled Water Service	WATER FLOW CHARGE PER 100 CU. FT.	
For all water used	~~$3.46~~	$3.78

SCHEDULE A

RATE SCHEDULE FOR WATER SERVICE
(Continued)

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 $1,500; 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 $1,500, 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	~~$11.01~~	$12.03
1 inch meter	~~15.12~~	16.52
1-1/2 inch meter	~~25.36~~	27.71
2 inch meter	~~37.66~~	41.14
3 inch meter	~~70.47~~	76.99
4 inch meter	~~107.36~~	117.29
6 inch meter	~~209.87~~	229.28
8 inch meter	~~332.87~~	363.66
10 inch meter	~~476.37~~	520.43
12 inch meter	~~660.86~~	721.99
14 inch meter	~~845.37~~	923.57
16 inch meter	~~1,070.89~~	1,169.95
18 inch meter	~~1,296.39~~	1,416.31

SCHEDULE A

RATE SCHEDULE FOR WATER SERVICE
(Continued)

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	~~0.64~~	0.70
6 and greater	~~1.33~~	1.45

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

FY18

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 ~~$52.00~~$54.00 with the following exceptions:

- Customers in the Customer Assistance Program shall be charged ~~$26.00~~$27.00.
- Landlords requiring temporary water service for a period not to exceed 60 days shall be charged $26.00, 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 ~~$36.00~~$38.00.

Schedule C

Charges for Special Services

FY18

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"	~~$58.00~~$60.00
1-1/2" and 2"	~~$58.00~~$60.00 On Site ~~$130.00~~$135.00 Pull/Test
3" and larger	~~$261.00~~$269.00 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……..~~$45.00~~$46.00

The charge for restoring service after payment has been received during regular office hours is……~~$45.00~~$46.00

The charge for restoring service between 5 p.m. and 8 a.m. or on Saturday, Sunday or on a holiday is……..~~$62.00~~$63.00

A service trip charge of ~~$45.00~~$46.00 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 to lock or plug the meter due to non-payment or unauthorized water use is

S-Lock……~~$57.00~~$59.00
Plug……~~$394.00~~$402.00

C. RETURNED PAYMENT CHARGE

A charge of $25.00 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	$167 per Lien
2. Lien Removal Fee	$152 (in Alameda County) and $144 (in Contra Costa County) for first lien removed $59 (in Alameda County) and $51 (in Contra Costa County) for each additional lien removed at the same time
3. Property Tax Transfer Fee Unpaid Charges with Liens Recorded	$26 plus county auditor's fee (1.7% of collected amount for Alameda County; ~~$3~~$6 per parcel for Contra Costa County)

E. WASTEFUL USE CHARGE

A charge of ~~$45.00~~$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"	~~$113.00~~$115.00
1"	~~$113.00~~$115.00
1-1/2"	~~$243.00~~$248.00
2"	~~$243.00~~$248.00

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 premises except for conforming single-family premises ~~commercial accounts~~ at the customer's expense. See Section 26 of the District's Regulations Governing Water Service.

1. The charge for administering the Backflow Program Certification for ~~commercial~~all specified accounts (annually)……..……~~$53.00~~$54.00

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……~~$120.00/hr.~~$124.00/hr.

3. The charge for backflow testers to be placed on the District's list of certified testers……..~~$148.00~~$151.00

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 the District's costs pursuant to the termination and restoration of service……~~$470.00~~$479.00

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 the District's costs 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……$55.00

Requests to modify intervening water service agreement property account information must be submitted in writing and can be dropped off, mailed or faxed to a District 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……$55.00

M. SERVICE TRIP CHARGE

The charge for District staff to perform special services for customers is…….~~$45.00~~$46.00

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; and
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……...~~$109.00~~$111.00

The charge to renew a hydrant meter account
at the end of a 12-month period is……~~$109.00~~$111.00

If a field stop is required to establish a new account, a $217 site visit charge shall be paid in addition to the $109 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……~~$217.00~~$222.00

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 H

Standard Participation Charge

FY18

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[1]		Pumped Zone[2]	
5/8" and 3/4"	~~$7,840~~	$8,560	~~$9,820~~	$10,620
1"	~~19,600~~	21,400	~~24,560~~	26,550
1-1/2"	~~39,200~~	42,800	~~49,100~~	53,100
2"	~~62,700~~	68,500	~~78,600~~	84,900
3"	~~125,400~~	136,900	~~157,200~~	169,900
4"	~~196,000~~	214,000	~~245,600~~	265,500

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 ~~$196,000~~$214,000 in gravity zones or ~~$245,600~~$265,500 in pumped zones.

[1]This charge covers general water main oversizing and future water supply.

[2]This charge covers major facilities capacity, water main oversizing and future water supply.

Schedule J

System Capacity Charge

FY18

SCHEDULE J

SYSTEM CAPACITY CHARGE
(SCC)

A. SCC FOR STANDARD SERVICE[1]

1. Non-Residential Service Connections (dollars per connection)

METER SIZE (INCHES)	REGION 1		REGION 2		REGION 3	
5/8	~~$23,920~~	$25,040	~~$43,160~~	$45,080	~~$39,930~~	$41,780
3/4	~~35,880~~	37,560	~~64,740~~	67,620	~~59,900~~	62,670
1	~~59,920~~	62,730	~~108,120~~	112,930	~~100,030~~	104,660
1-1/2	~~119,840~~	125,460	~~216,240~~	225,860	~~200,060~~	209,320

For service connections with larger meters see Sec. 3.

2. Single Family Service Connections (SCC)[2] (dollars per connection)

METER SIZE (INCHES)	REGION[3] 1		REGION[3] 2		REGION[3] 3	
3/4	~~$16,740~~	$17,530	~~$29,040~~	$30,340	~~$37,050~~	$38,770
1	~~27,960~~	29,280	~~48,500~~	50,670	~~61,870~~	64,750
1-1/2	~~55,920~~	58,560	~~97,000~~	101,340	~~123,740~~	129,500

For service connections with larger meters see Sec. 3 below.

[1]This charge covers the cost of System-wide Facilities Buy-in, Regional Facilities Buy-in and Future Water Supply.

[2]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 Premises~~Service Connections~~).

[3]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 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	~~$2,032~~	$2,109
Future Water Supply[1]	~~1,920~~	2,046

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		~~$2,027~~	$2,104
2	n/a		~~4,115~~	4,272
3	n/a		~~2,436~~	2,529
3C	~~$6,720~~	$6,960	~~1,828~~	1,897
3D	~~6,720~~	6,960	~~1,828~~	1,897

In no instance will the SCC for a meter larger than 1-1/2 inches be less than the 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 1-1/2 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.

[1]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 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 as specified in Sections 2 and 3 of the District's Regulations Governing Water Service.~~

Multi-Family Premises Dollars per Dwelling Unit (DU)						
	REGION[1]					
	1		2		3	
For each Dwelling Unit	~~$9,750~~	$10,200	~~$13,550~~	$14,160	~~$12,710~~	$13,300

[1]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[1]

The System Capacity Charge for 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[2] 3C[3]	3-D	
5/8	n/a	~~$96,870~~	$100,850
3/4	n/a	~~145,310~~	151,280
1	n/a	~~242,670~~	252,640
1-1/2	n/a	~~485,340~~	505,280

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[2] 3C[3]		3-D	
3/4	~~$86,590~~	$89,640	~~$96,870~~	$100,850
1	~~144,610~~	149,700	~~161,770~~	168,420
1-1/2	~~289,220~~	299,400	~~323,540~~	336,840

For service connections with larger meters see Sec. 3 below.

[1]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.

[2]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)

[3]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[1] (Continued)

3. SCC for Larger Meters

The SCC for 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 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 as specified in Sections 2 and 3 of the District's Regulations Governing Water Service.~~

Multi-Family Premises Dollars per Dwelling Unit				
	ADDITIONAL REGIONS[1]			
	3-C		3-D	
For each Dwelling Unit	~~$33,410~~	$34,580	~~$34,000~~	$35,390

[1]Same regions as described in B.1.

SCHEDULE J

SYSTEM CAPACITY CHARGE
(SCC)
(Continued)

B. SEPARATE SCC FOR STANDARD SERVICE FOR ADDITIONAL REGIONS[1] (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.

[1]Same regions as described in B.1.

SCHEDULE J

SYSTEM CAPACITY CHARGE
(SCC)
(Continued)

F. ADDITIONAL WATER USE ON PREMISES RECEIVING SERVICE

The System Capacity Charge applicable to enlargement of an existing service at other than multi-family premises shall be based on the difference in the SCC for the new service size and the existing service size.

If additional dwelling units are constructed on premises subsequent to the installation of service and payment of an SCC under B.1, then the SCC applicable to each additional dwelling unit shall be immediately due and payable.

G. CREDIT FOR EXISTING SERVICES

Where one or more new services will replace one or more existing or prior services to a premises where an SCC was paid to initiate the water service, a credit will be given toward the new SCC based on the customer classification, meter size or water use information that was used to calculate the initial SCC payment (see Section A – SCC for Standard Service). For instances where the existing or prior services were installed prior to 1983 and no SCC was paid, the SCC credit for meter sizes under 2" will be based on Sections A.1 and A.2 - SCC for Standard Service. For existing or prior services with meter sizes 2" and greater where 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 1.5" meter size for the customer classification listed in Sections A.1 and A.2 – SCC for Standard Service. No SCC credit will be given unless prior service to the premises 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 Premises~~Service Connections~~, the SCC credit cannot be applied to the separate irrigation meter without a SCC credit on the residential meter. The SCC credit for an existing service can only be applied to the premises where the existing service is located. "Premises" is defined in the Section 1 of the District's Regulations Governing Water Service.

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.

SCHEDULE J

SYSTEM CAPACITY CHARGE
(SCC)
(Continued)

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.

I. REQUIRED SEPARATE IRRIGATION METER FOR SINGLE FAMILY PREMISES~~SERVICE CONNECTIONS~~

If an irrigation meter is required for a single-family premises~~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 premises 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		REGION 2		REGION 3	
5/8	~~$7,680~~	$8,180	~~$10,270~~	$10,950	~~$12,000~~	$12,790
3/4	~~11,520~~	12,280	~~15,410~~	16,420	~~18,000~~	19,180
1	~~19,240~~	20,500	~~25,730~~	27,420	~~30,060~~	32,030
1-1/2	~~38,480~~	41,000	~~51,460~~	54,840	~~60,120~~	64,070

All SCC for nonpotable water service connections with meters larger than 1-1/2 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 1-1/2 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 L

Drought Surcharge Rate Schedule for Water Service

FY18

SCHEDULE L

DROUGHT SURCHARGE RATE SCHEDULE FOR WATER SERVICE

The rates for the Water Flow Charge shown in Schedule A may be increased up to the following maximum percentages~~amounts will be charged in addition to rates shown in Schedule A for all water delivered~~ during the specified declared drought stage. ~~for billing cycles that are billed on or after July 1, 2016.~~

A TEMPORARY SURCHARGE FOR POTABLE WATER DELIVERED based on one month or two months of meter readings for all water delivered ~~per 100 cu. ft.~~as a percentage of the total Water Flow Charge on customer bills:

~~MONTHLY~~ DROUGHT SURCHARGES ON TOTAL WATER FLOW CHARGE FOR WATER DELIVERED~~PER 100 CU. FT.~~				
	Maximum Applicable Drought Surcharge Percentage[1] in 4 Stages			
~~Single-Family Residential Accounts~~	Stage 1	Stage 2	Stage 3	Stage 4
All potable water flow charges	0%	8%	20%	25%
~~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 L

DROUGHT SURCHARGE RATE SCHEDULE FOR WATER SERVICE
(Continued)

[1]Drought surcharge percentage increase will be applied to the applicable rate of the customer's potable Water Flow Charge from Schedule A Rate Schedule for Water Service. Prior to implementing the drought surcharges, the District will update drought related costs and develop surcharges based on the updated cost of service. Any surcharges that are imposed will be consistent with the District's staged system of drought surcharges and will not exceed the drought surcharge percentages listed in this Schedule.

Schedule M

Water Service Estimate Application Fees

FY18

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 TOTAL SQUARE FOOTAGE OF THE STRUCTURE(S)

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

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 1-1/2-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

FY18

SCHEDULE N

WATER DEMAND MITIGATION FEES

The Water Demand Mitigation Fee funds District conservation programs that are intended to achieve water savings that offset water demand from development within the territory or development where the fees are collected. The Water Demand Mitigation Fee is payable at the time application for service is made or prior to release of the distribution system pipelines and related appurtenances when the installation of water main extensions are required.

A. WATER DEMAND MITIGATION FEES FOR "THE MEADOWS" TERRITORY

For service connections within "The Meadows" territory[1] 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	~~$13,080~~	$13,940
3/4	~~18,840~~	20,070
1	~~29,300~~	31,220
1-1/2	~~56,510~~	60,210

2. Single Family Service Connections (dollars per connection)

METER SIZE (INCHES)	WATER DEMAND MITIGATION FEE FOR STANDARD SERVICE IN THE MEADOWS TERRITORY	
5/8	~~$12,810~~	$13,650
3/4	~~18,840~~	20,070
1	~~29,300~~	31,220
1-1/2	~~56,510~~	60,210

[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 service connections with meters larger than 1-1/2 inches shall be determined on a case-by-case basis by the District based on water use information furnished by the applicant and applying the applicable SCC Future Water Supply component and multiplier (1.09) established by the Board of Directors for smaller meters.

4. For phased developments within The Meadows territory, the Water Demand Mitigation Fee is payable for all connections within the phase prior to release of the distribution system pipelines and related appurtenances.

B. WATER DEMAND MITIGATION FEES FOR "THE WENDT RANCH" TERRITORY

For service connections within "The Wendt Ranch" territory[2] 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	~~$16,800~~	$17,900
3/4	~~24,190~~	25,780
1	~~37,630~~	40,100
1-1/2	~~72,580~~	77,340

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	~~$16,450~~	$17,530
3/4	~~24,190~~	25,780
1	~~37,630~~	40,100
1-1/2	~~72,580~~	77,340

[2] 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 service connections with meters larger than 1-1/2 inches shall be determined on a case-by-case basis by the District based on water use information furnished by the applicant and applying the applicable SCC Future Water Supply component and multiplier (1.40) established by the Board of Directors for smaller meters.

4. For phased developments within The Wendt Ranch territory, the Water Demand Mitigation Fee is payable for all connections within the phase prior to release of the distribution system pipelines and related appurtenances.

C. WATER USE OFFSET FEES FOR THE WIEDEMANN RANCH DEVELOPMENT[3]

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).[4]

1. Common Area Offset Fee

   The total Water Use Offset Fee for common areas in The Wiedemann Ranch Development is ~~$67,774~~$69,468, and payable as a condition of issuance of the first meter for the common area.[5]

2. Single Family Service Connections

   The Water Use Offset Fee for each residential lot in The Wiedemann Ranch Development is ~~$6,765~~$6,934, which amount shall be indexed using the same index as for the common area offset fee.

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[3]The Wiedemann Ranch Development, SCC Region 3A, a 439 acre development in Contra Costa County, is described with particularity in Exhibit A to the July 20, 1993 Agreement Between EBMUD and HCV & Associates, Ltd., Wiedemann Ranch, Inc. and Sue Christensen ("Wiedemann Agreement").

[4]The Wiedemann Agreement specifies the amount and other terms related to the Future Water Supply Component of the SCC for the Wiedemann Ranch Development.

[5]The Water Use Offset Fee shall be indexed to the U.S. City Average of the Consumer Price Index issued by the U.S. Department of Labor for each calendar year or portion thereof from the July 20, 1993 date of the Wiedemann Agreement to the date of payment of the offset fee.

SCHEDULE N

WATER DEMAND MITIGATION FEES
(Continued)

D. ADDITIONAL WATER USE OFFSET FEES FOR THE WIEDEMANN RANCH DEVELOPMENT[6]

For water service within The Wiedemann Ranch Development, payment of Additional Water Use Offset Fees shall be required in the event the annual water budget[7] 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 ~~$14.60~~$14.97.[8]

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[6]The Wiedemann Ranch Development, SCC Region 3A, a 439 acre development in Contra Costa County, is described with particularity in Exhibit A to the July 20, 1993 Agreement Between EBMUD and HCV & Associates, Ltd., Wiedemann Ranch, Inc. and Sue Christensen ("Wiedemann Agreement").

[7]The Wiedemann Agreement specifies the formula for calculating the annual water budget and the specific methodology for calculating and collecting the additional water use offset fee.

[8]The Wiedemann Agreement specifies the terms related to the Additional Water Use Offset Fee. The Additional Water Use Offset Fee shall be indexed to the U.S. City Average of the Consumer Price Index issued by the U.S. Department of Labor for each calendar year or portion thereof from the July 20, 1993 date of the Wiedemann Agreement to the date of payment of the additional water use offset fee.

SCHEDULE N

WATER DEMAND MITIGATION FEES
(Continued)

E. WATER DEMAND MITIGATION FEES FOR CAMINO TASSAJARA INTEGRATED PROJECT[9]

For service connections within the Camino Tassajara Integrated Project[10], 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	~~$16,190~~	$17,260
3/4	~~23,330~~	24,860
1	~~36,280~~	38,660
1-1/2	~~69,970~~	74,560

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	~~$11,130~~	$11,860
3/4	~~16,350~~	17,420
1	~~25,470~~	27,140
1-1/2	~~49,080~~	52,300

[9] The Water Demand Mitigation Fee shall be indexed to the unit charge of the Future Water Supply component of the EBMUD System Capacity Charge.

[10] As generally described in the October 9, 2002 Miscellaneous Work Agreement between the District, Shapell Industries, Ponderosa Homes II, and Braddock and Logan Group II.

SCHEDULE N

WATER DEMAND MITIGATION FEES
(Continued)

3. The WDMF for 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 dwelling unit of a multi-family premises shall be separately metered as specified in Sections 2 and 3 of the District's Regulations Governing Water Service.

   Multi-Family Premises – Dollars Per Dwelling Unit (DU)

Each of the first 10 DU in a single structure	~~$6,680~~	$7,120
Each additional DU in same structure	~~5,340~~	5,690

   The above WDMF shall apply regardless of the arrangement of water metering or meter size at the premises; however, the District may limit the size and number of service connections to a combined capacity appropriate to the anticipated water use at the premises.

   No additional WDMF shall be applicable for separate meters installed to provide irrigation for landscaping on the premises in the immediate area contiguous to the dwelling unit structures, provided such landscaped area is to be used exclusively by the residents. All other rates and charges shall be based on actual number and size of meters and does not apply to the requirements listed below.

   A WDMF shall be applicable for separate meters installed to serve other water uses in the vicinity of the multi-family premises, such as irrigation of open space areas, parks, roadway medians, recreational facilities, and areas designated for public use. The WDMF shall be based on meter size as provided under E.1 above. If these other water uses are included in the water service connection to the multi-family premises, the District shall, for purposes of determining the applicable WDMF, determine the equivalent meter size for these uses based on plumbing code and water industry standards, as if there were a separate service connection.

SCHEDULE N

WATER DEMAND MITIGATION FEES
(Continued)

4. The WDMF is payable for all connections within phased developments prior to release for construction, the distribution system pipelines and related appurtenances.

5. Water use in excess of 120 percent of the annual water budget[11] 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 ~~$1.03~~$1.10 per gpd.

[11]The water budget shall be established pursuant to the October 9, 2002 Miscellaneous Work Agreement referenced in Footnote 2.

SCHEDULE N

WATER DEMAND MITIGATION FEES
(Continued)

F. WATER DEMAND MITIGATION FEES FOR GALE RANCH PHASE 2, SUBDIVISION 9134[12]

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	~~$15,520~~	$16,530
3/4	~~22,350~~	23,810
1	~~34,740~~	37,020
1-1/2	~~67,040~~	71,440

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[13]	~~$10,650~~	$11,350
3/4	~~15,670~~	16,700
1	~~24,360~~	25,950
1-1/2	~~46,980~~	50,060

[12] The Water Demand Mitigation Fee shall be indexed to the unit charge of the Future Water Supply component of the EBMUD System Capacity Charge.

[13] 5/8" fee based on 32,594 gpd demand LUDS demand minus 10,884 gpd middle school demand credit divided by 63 residential units resulting in 345 gpd/residential unit.

SCHEDULE N

WATER DEMAND MITIGATION FEES
(Continued)

3. The WDMF for 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.

Section 1

Explanation of Terms Used in These Regulations

FY18

SECTION 1

EXPLANATION OF TERMS USED IN THESE REGULATIONS

~~COMMERCIAL/INDUSTRIAL UNIT shall mean an attached or detached rental or owner-occupied unit used directly or indirectly in connection with any non-residential, business undertaking, as solely determined by the District, which provides complete independent facilities for one or more persons, including permanent provisions for sanitation, and separate ingress/egress.~~

~~DEDICATED IRRIGATION METER shall mean the entire meter assembly dedicated for outdoor landscape water use, which may include appurtenances or devices owned and installed by the District or applicant, as solely determined by the District, in connection with new service installations as provided in Sections 3 and 31 of these regulations.~~

DISTRICT shall refer to the East Bay Municipal Utility District unless otherwise specified.

~~DWELLING UNIT shall mean an attached or detached residential unit of a multi-family premise, as solely determined by the District, which provides complete independent living facilities including permanent provisions for living, sleeping, cooking, sanitation, and separate ingress/egress for one or more persons.~~

ELEVATION SURCHARGE shall mean that charge applied to customers' accounts where meters are served by pressure zones with an elevation designator of two (2) or more in the District's pressure zone designations. The charge shall be computed in accordance with Schedule A, Rate Schedule for Water Service, Section D. The Elevation Surcharge is a means of allocating the additional costs incurred for pumping and storing water at higher elevations.

EXPANDED SERVICE shall refer to any upgrade, change, ~~or~~ modification to existing standard service that increases the size of the meter, or increases to the annual average water use resulting from improvements to the existing structure(s) and new construction.

FRONT FOOT CHARGE shall mean the charge applicable to a premises when a main is or has been brought to the principal frontage of the premises to make service available to the premises. This charge shall be computed in accordance with the provisions of Section 4, and shall generally be the proration of the cost of extending the main based on the width of the premises fronting on and entitled to service from the main extension. The front foot charge shall not apply to premises already entitled to service, according to District requirements, on or before the date the main extension is installed. Where a front foot charge is applicable, it must be paid before a service will be installed.

IRRIGABLE LANDSCAPE AREA shall mean the parcel area less the aggregate area of structure footprints, impervious and pervious hardscape, and undisturbed open space.

IRRIGATED LANDSCAPING shall mean the total aggregated area or footprint of irrigated landscape for the entire property, which does not include open space or the non-irrigated area.

SECTION 1

EXPLANATION OF TERMS USED IN THESE REGULATIONS
(continued)

LIMITED SERVICE shall mean a water service connection provided under a written agreement for limited service with special conditions, when standard service is not reasonably available.

MAJOR FACILITIES shall mean storage reservoirs, pumping plants, transmission mains, filter plants, and appurtenances, including necessary properties and rights-of-way.

METER shall mean the entire meter assembly, which may include appurtenances or devices owned and installed by the District in connection with a service connection.

DEDICATED IRRIGATION METER shall mean the entire meter assembly dedicated for outdoor landscape water use, which may include appurtenances or devices owned and installed by the District or applicant, as solely determined by the District, as provided in Sections 3 and 31 of these Regulations.

MASTER METER shall mean the entire meter assembly dedicated for single service to a premises for water use, which may include appurtenances or devices owned and installed by the District upstream of any applicant installed and owned meters, as provided in Sections 2 and 3 of these Regulations.

~~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.~~

~~MULTI-OCCUPANCY COMMERCIAL/INDUSTRIAL PREMISES shall mean premises with two or more attached or separate commercial or industrial occupancy units, rental or owner-occupied, which is determined by the District to be a single premises for receiving water service.~~

PREMISES shall mean a parcel of real estate, including any improvements thereon, which is determined by the District to be a single premises~~unit~~ for purposes of receiving, using and paying for service. In making this determination, the District shall take into consideration such factors as whether the ~~unit~~parcel could reasonably be subdivided, whether the ~~unit~~parcel is being used for a single enterprise, and whether the ~~unit~~parcel is divided by a public or a private street, but in any case the District's determination shall be final.

MULTI-FAMILY PREMISES shall mean premises designated for multi-family use by the local land use authority, 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.

SECTION 1

EXPLANATION OF TERMS USED IN THESE REGULATIONS
(continued)

MULTI-OCCUPANCY COMMERCIAL/INDUSTRIAL PREMISES shall mean premises designated for commercial/industrial use by the local land use authority, with two or more attached or separate commercial or industrial occupancy units, rental or owner-occupied, which is determined by the District to be a single premises for receiving water service.

SINGLE FAMILY PREMISES shall mean a premises designated for single-family use by the local land authority, with one or more attached or separate structures, rental or owner-occupied, providing permanent provisions for living, cooking, sanitation, and separate ingress/egress. Accessory structures constructed within the same parcel of real estate shall be considered part of the single-family premises for the purpose of determining total water demand and System Capacity Charges, as solely determined by the District.

PRESSURE ZONE shall mean a portion of the water distribution system in which all premises are served through meters within a specific range of elevations and supplied by the same major facilities through an interconnected pipeline network. The upper limit of the pressure zone is 100 feet below the overflow elevation of the reservoir providing service, and the lower limit is determined by the upper limit of the next lower pressure zone or an elevation approximately 300 feet below the overflow elevation of the reservoir. Gravity Zones are those pressure zones which receive their water supply by gravity flow from the treatment plants and are identified by the prefixes "G" and "H" in the District's pressure zone designations. Pumped Zones are those pressure zones which receive their water supply from the treatment plants by pumping and are identified by the prefixes "A" through "F" in the District's pressure zone designations.

PRINCIPAL FRONTAGE shall mean that part of the perimeter of the major portion of the premises where the principal use of the property is located, which fronts on a public street or private road or driveway from which the premises generally receives access, public services and utilities, as determined by the District. Principal use does not include easements, rights-of-way, or a relatively narrow portion of a premises used for access or other purpose.

REASONABLY AVAILABLE SERVICE shall mean that a service connection installed at the principal frontage of the premises will provide adequate pressure and flow for normal operation of plumbing fixtures, water using appliances, requirements set by the responsible fire protection agency, and irrigation. In determining reasonably available service, the District will consider, relative to the service location and the applicable pressure zone, the elevation of the existing or proposed building on the premises, the distance of the building site from the meter location and any pressure and flow requirement for fire protection.

RETROFITS shall mean the conversion or modification of existing water using fixtures, appliances, equipment and landscaping such that they are suitable for water service.

SECTION 1

EXPLANATION OF TERMS USED IN THESE REGULATIONS
(continued)

SEPARATE STRUCTURE shall mean a distinct building with separate and/or shared walls, as solely determined by the District, without regard to common pathways, bridges, roof decks and overhangs, parking garages, foundations, and similar above-or-below-ground project features.

SERVICE shall mean the furnishing of water (potable or nonpotable) to a customer through a service connection.

SERVICE CONNECTION shall mean the necessary piping and equipment from the main to and including the meter or battery of meters. Reference to a service connection by size shall mean the size of the meter.

STANDARD PARTICIPATION CHARGE (SPC) shall mean the charge paid as a contribution towards the cost of future general oversizing of water mains and to provide major facilities capacity for service to new customers. This charge is paid in lieu of the System Capacity Charge by certain applicants who applied for service on or before June 28, 1983. The SPC also includes a component for the allocated cost of providing a future water supply to meet the long-term increase in water demand in the District.

STANDARD SERVICE shall mean a service other than a private fire service, installed within the District service area, adjacent to the principal frontage of the premises to be served, which service is for immediate use to supply a function directly related to such premises.

SYSTEM CAPACITY CHARGE (SCC) shall mean the charge required of all applicants for water service to premises where installation of a service connection is required, including expanded service~~enlargement of service~~, as solely determined by the District. The charge to be paid depends on the regional location and the applicable meter size, the estimated annual average water use as determined by the District for large meters not covered in Schedule J based on water use information furnished by the applicant, or number of ~~dwelling units and/or commercial/industrial~~ units. The charge is payment for the costs allocated to providing capacity for water service to applicants within each region, including components for major facilities in the District's distribution system master plan, major facilities constructed prior to the master plan, and water main oversizing. The SCC also includes a component for the allocated cost of providing a future water supply to meet the long term increase in water demand in the District. The charge shall be computed in accordance with Schedule J of the Rates and Charges.

UNIT shall mean and apply to a Dwelling Unit, Commercial/Industrial Unit, Live/Work Unit, or Work/Live Unit as defined below, unless specified otherwise.

> DWELLING UNIT shall mean an attached or detached rental or owner-occupied residential unit of a multi-family premises, which provides complete independent living facilities for one or more persons, including one or more permanent provisions for living, sleeping, cooking, sanitation, and separate ingress/egress as solely determined by the District.

SECTION 1

EXPLANATION OF TERMS USED IN THESE REGULATIONS
(continued)

COMMERCIAL/INDUSTRIAL UNIT shall mean an attached or detached rental or owner-occupied unit used directly or indirectly in connection with any non-residential, or business undertaking, which provides complete independent facilities for one or more persons, including one or more permanent provisions for sanitation, and separate ingress/egress as solely determined by the District.

LIVE/WORK UNIT shall be considered an attached or detached unit of a mixed-use premises that accommodates both residential and non-residential activities, but emphasizes the accommodation of residential activities per Local Land Use designation, as solely determined by the District. For the purpose of System Capacity Charges, a Live/Work Unit shall be considered as residential.

WORK/LIVE UNIT shall be considered an attached or detached unit of a mixed-use premises that accommodates both residential and non-residential activities, but emphasizes the accommodation of commercial activities per local land use designation, as solely determined by the District. For the purpose of System Capacity Charges, a Work/Live Unit shall be considered as non-residential.

WATER EFFICIENCY REQUIREMENTS shall mean ~~the water conservation~~all devices, technologies, and practices ~~as required by the District for service for each premise~~ in accordance with Section 31 of these Regulations.~~ Each customer shall be required to provide evidence through project design drawings or construction documents that water efficiency requirements have been met at time of application for service.~~

Section 2

Applying for Service

FY18

SECTION 2

APPLYING FOR SERVICE

If a service connection is already serving a premises, applicants applying for service shall contact the District's customer service center. If a new service connection is required, applications for service shall be submitted to the New Business Office of the District. The District's requirements for the type of service desired shall be met before an application will be approved (see Section 31 – Water Efficiency Requirements).

If standard service (see Section 3) is not reasonably available, or if the premises is outside of the District's boundaries, or if unusual conditions exist, the applicant will be advised of the terms and conditions that must be met before an application for service may be accepted. In determining whether the portion of an applicant's premises lying directly along a main constitutes principal frontage, the District's decision shall be final.

~~Effective January 1, 2009, e~~Each ~~new dwelling unit or commercial/industrial~~ unit in a new structure ~~of three stories in height or less~~ shall be individually metered ~~when the District has determined it is feasible to do so~~. Individual meters shall be installed and owned by the District or applicant, as solely determined by the District.~~The determination of feasibility is made by the District to meter each unit individually when reasonably possible to do so; the determination by the District is final.~~ When approved by the District, individual meters installed by an applicant shall meet the standards established by the District and applicable laws. Additional requirements for metering are contained in Section~~s~~ 3 of these regulations.

Continuance of service is dependent on compliance with the District's regulations governing service, and on conditions at the location of the service remaining unchanged to the extent that they do not conflict with the District's requirements for obtaining service. Where a change in conditions at the location of the service makes a customer ineligible for continued service, the customer concerned shall be responsible for promptly notifying the District in writing of the change.

Applicants for service shall pay all applicable charges in full and in advance as provided in the Schedule of Rates and Charges, including the following:

- Account Establishment Charge
- Service Installation Charges
- Water Service Estimate Fee (if applicable)
- Water Main Extension Charges (if required)
- System Capacity Charge
- Charges for Annexation (if applicable)
- Wastewater Capacity Fee (if applicable)
- Any outstanding balance owed to the District (if applicable)

SECTION 2

APPLYING FOR SERVICE
(continued)

Applicants shall provide all information determined by the District to be necessary to establish conditions at the location of service. This information may include, but is not be limited to:

- Property descriptions
- Improvement plans, including certification of subgrade elevation
- Information regarding soils and known contaminated soil conditions
- Environmental documentation
- Fire flow form signed by responsible fire agency
- Topographical map(s)
- Development and site plans with hydrant locations identified and signed by the responsible fire department (if applicable)
- Hydraulic calculations for proposed fire sprinkler system (if applicable)

AMORTIZATION OF CONNECTION AND INSTALLATION FEES

Applicants for service that satisfy the criteria set forth below may make written application to the District to amortize the payment of water service installation charges (Schedules D and E), water main extension charges (Schedule G), water system capacity charges (Schedule J) and wastewater capacity fees, pursuant to the following terms and conditions:

- The amount amortized shall be at least $5,000 but not more than $150,000.
- Applicant shall pay in advance a minimum of 25% of the estimated cost to provide the new service connection.
- Applicants shall enter into an agreement with the District which provides that:

  a. amortized charges that shall be paid in equal installments over a maximum period of 24 months;
  b. interest shall be applied to the balance due at a rate set by the Director of Finance;
  c. water service may be terminated for failure to pay any installment when due;
  d. repayment of the amortized charges shall be secured by real property owned by applicant and the District shall have the right of foreclosure by a power of sale;
  e. applicant shall pay all escrow and title search costs incurred.

- Applicants shall execute deeds of trust which shall constitute a lien upon real property interests described therein, which property shall be situated in California and shall be sufficient to secure repayment of the amortized charges.

<u>Applicant Criteria</u>

I. Applicants providing job training in District job skills.

In order to make application to amortized charges pursuant to this section, the applicant must:

SECTION 2

APPLYING FOR SERVICE
(continued)

a. make written application to the District for water service;
b. have tax-exempt status under Internal Revenue Code section 501(c)3;
c. provide job training, including job skills utilized in District job classifications, to unemployed individuals; and
d. own and occupy the property for which water service application is made.

II. Applicants providing low income housing incorporating water conserving devices and landscaping.

To apply for amortized charges pursuant to this section, the applicant must:

- be organized solely for the purpose of constructing low income housing;
- provide evidence of eligibility for Community Development Block Grant (CDBG) assistance;
- own the property for which water service is requested;
- seek to amortize charges related to providing water service to a low-income housing project that:

  i. is restricted to such use for at least 15 years or such other time specified or required by law; and
  ii. will provide rental units for low-income residents or, if intended for ownership, will be owner-occupied units for low-income residents.

- incorporate water conservation features, beyond those required by law, into the design of the project and install and maintain water conserving landscaping approved by the District; and
- specify the cost benefit that will inure to residents of the project.

For purposes of this section, “housing” and “low-income housing” shall have the following meaning:

- Housing is defined to include rental housing, condominiums, cooperative housing, ownership housing, housing for families, senior housing, housing for physically and/or mentally disabled people, emergency shelters and shared housing.

- Low-income housing is defined as housing that is subsidized in whole or in part by one or more governmental agencies or foundations and that is rented or owned by individuals or families whose incomes are within ranges specified as low-income by the U.S. Department of Housing and Urban Development for Alameda and Contra Costa Counties.

III. In addition to the above criteria, applicants must make written application to the District for water service and provide evidence of tax-exempt status under Internal Revenue Code section 501(c)(3).

Section 3

Standard Service

FY18

SECTION 3

STANDARD SERVICE

SERVICE CONNECTION EXISTS AT TIME APPLICATION RECEIVED

A standard service may be granted where a complete service connection for the premises exists, there is no change in the use of the premises, the service has been active within the previous five years, there is no change in service size, and the District's requirements are met as stated in these regulations (see Section 2, Applying for Service and Section 31 – Water Efficiency Requirements). In such cases, if sufficient advance notice is furnished to the District, the service will be turned on at the meter on the date requested by the customer, except Saturdays, Sundays, and holidays.

All requirements established for the existing service connection shall remain in effect, including the requirement for a pressure regulator or backflow prevention device.

SERVICE CONNECTION DOES NOT EXIST AT TIME APPLICATION RECEIVED

When an application is received for a standard service to premises where a service connection does not exist, or the existing service connection is inadequate, as determined by the District, a standard service may be granted and installed provided the applicant meets the District's general requirements as stated elsewhere in these regulations, and:

1. Service is reasonably available at the premises to be served.

2. The size of the service connection is approved by the District.

3. The applicable District charges have been paid.

4. The applicant agrees to install a pressure regulator or backflow prevention device when required by the District.

5. There is an immediate need for water service to the premises.

6. The applicant agrees to meter the development as specifically approved by the District.

If service is not reasonably available or if unusual conditions exist, the applicant will be advised of the terms and conditions which must be met before an application for service will be accepted.

Additional requirements for nonpotable water service are included in Sections 30 and 31 of these regulations.

SECTION 3

STANDARD SERVICE
(continued)

In circumstances under which the District anticipates unusual conditions, the applicant shall pay installation charges based on the District's estimate of the total cost of all materials, labor and other costs incidental to the installation. Unusual conditions shall exist when, in the sole determination of the District, the installation is to be made under conditions that would result in unusual or significant departure from the basic installation charges set forth in the Schedule of Rates and Charges to Customers. Such circumstances shall include, but not be limited to, the length of the lateral, the type of pavement, anticipated soil or other underground conditions, and the width or travel conditions of the roadway or right-of-way.

Water service will generally be made available by extending a main if the premises to be served does not have principal frontage on an existing water main of adequate flow and pressure (See Section 4). However, water service will not be provided by the extension of a water main where the meter(s) for the premises concerned will be located at an elevation of less than 100 feet below the overflow level of the reservoir supplying such main.

EXCEPTIONS

TEMPORARY CONSTRUCTION SERVICE

The District may grant a temporary construction service where it is expected that the service will be in use for a short period to serve a temporary operation not related to any particular premises. In such cases, the appropriate installation and system capacity charges set forth in the Schedule of Rates and Charges shall be paid in advance and billing at the current rate for a standard service shall apply.

INSTALLATION OF SERVICES CONNECTIONS IN NEW SUBDIVISIONS

Under special conditions the District may install a service connection without the meter in advance of actual need to avoid later cutting of pavement or for other reasons. In such cases, the appropriate installation charges set forth in the Schedule of Rates and Charges shall be paid in advance, but billing procedure shall not apply as the service will not be turned on until a standard service is required and approved by the District. The System Capacity Charge shall be paid in accordance with the provisions of Section 3B. If the service connection is not completed by a request for meter installation and turned on within one year of installation of the connection, the District may determine there is no immediate need for water service and may remove the service connection. Regardless of whether the service connection was removed, to establish service a new service application will be required under the Regulations and Schedule of Rates and Charges then in effect.

SECTION 3

STANDARD SERVICE
(continued)

STREET LANDSCAPING SERVICE

The District may grant a street landscaping service for planting strips or areas which lie within public streets and are devoted to and maintained for landscaping and related purposes by the public agency having jurisdiction over the streets. In such cases, the planting strip or area may be considered a single unit for the purposes of receiving, using and paying for service regardless of its division or intersection by other public streets. The District shall approve the size and location of the service and the distance or area which may constitute a single unit. The appropriate installation and system capacity charge set forth in the Schedule of Rates and Charges shall be paid, and billing at the current rate for a standard service shall apply. Additional requirements for nonpotable and potable water service are contained in Sections 30 and 31 of these regulations.

COMBINATION STANDARD AND FIRE SERVICE

~~Effective January 1, 2011, t~~The California Building Code requires all newly constructed one-and-two-family homes and townhouses to install fire sprinkler systems. The District will grant one service to provide both standard service and a supply to a private fire protection system for each newly constructed single family premises or residential dwelling unit. A separate fire service connection is required for service to a private fire protection system at all other premises except the following:

1. New service or the enlargement of existing connections required for large area premises with public or private educational facilities and publicly-owned facilities served with combined standard and fire service.

2. Service to multi-family residential premises when a combination standard/fire service meter has been installed for each residential dwelling unit.

3. Service to group homes or group residential facilities when it is determined by the District that a combined service connection is acceptable for metering normal water use and is approved by the responsible fire protection agency.

Except for the System Capacity Charge as provided in Schedule J, the rates and charges pertaining to the service shall be based on actual meter size.

SECTION 3

STANDARD SERVICE
(continued)

~~**IRRIGATION METERING**~~

~~A dedicated irrigation meter and detailed landscaping plans shall be required for all new (residential and nonresidential) irrigated landscaping covering an area of 5,000 square feet or more, as provided in Section 31 of these regulations.~~

BRANCH METERS~~ING~~

The District may grant two or more standard services from a single service connection for a premises other than a single-family premises if fire sprinklers are not required. The appropriate installation charge set forth in the Schedule of Rates and Charges shall be paid.

MASTER METER~~ING~~

Each ~~separate~~ structure of a multi-family or multi-occupancy commercial/industrial premises shall be separately metered. The District may require each customer type in a new structure with more than one business classification to be metered by a master meter or individual meters for each ~~commercial /industrial unit and/or dwelling~~ unit consistent with Section 2 of these Regulations, as solely determined by the District.

The District may grant a single service to a premises with two or more ~~dwelling units and or commercial/industrial~~ units such as a residential or commercial condominium project, provided the premises is determined to be a single business classification and all the following conditions are met:

1. The property to be served must be in single ownership, including streets containing the owner's water service pipelines. Where dwelling units are individually owned, the property surrounding the structures must be in single common ownership under a residents or homeowners association.

2. There must be a resident manager for the property who will be responsible for maintaining the private water system beyond the master meter and for payment of all water service charges.

3. The applicant must furnish a written statement from the fire district or other public agency with jurisdiction, indicating its acceptance of the proposed arrangement for providing fire flow, and that the liability for supplying water for fire protection rests solely with the property owner responsible for the private water system.

4. It has been determined by the District that District installed individual meters~~ing of~~ for each unit is not feasible in accordance with Section 2 of these regulations

SECTION 3

STANDARD SERVICE
(continued)

SERVICE CONNECTION NOT AT THE PRINCIPAL FRONTAGE

In certain unusual circumstances, the District may locate a conditional service connection for a premises at other than the principal frontage provided:

- service is reasonably available at that location,
- the principal frontage is on a private road or driveway,
- there is only one premises that would be so served,
- there is no apparent possibility of further extension to serve other premises,
- there is no requirement for a fire hydrant,
- a main extension for adjacent premises would not be required.

The owner(s) of the premises shall agree in writing to the conditions of service and to relocate the service and pay any applicable costs in the future, should standard service become available at the principal frontage. This agreement shall be a covenant against the premises to be served and shall run with the land, and will be recorded by the District.

SERVICE CONNECTION AT ALTERNATE MAJOR FRONTAGE

The District may locate the service connection for a premises at that part of the perimeter immediately adjacent to a street or road of general public access, where a water main exists or may be installed, even though it is not the normal vehicle access to the property and provided that the fire hydrant location in relation to the premises is acceptable to the responsible fire protection agency.

The District may locate the service connection(s) for a multi-family residential unit(s) or multi-occupancy commercial/industrial unit(s) at that part of the perimeter immediately adjacent to a street or road of general public access in a development where individual metering of all multi-family residential or multi-occupancy commercial/industrial unit(s) has been determined to be feasible in the sole discretion of the District in accordance with Section 2 of these Regulations.

Section 17

Change in Size of Service

FY18

SECTION 17

CHANGE IN SIZE OF SERVICE

Changes in the size of a standard service or replacement of a meter requested by the owner of the premises or required by the District will be made subject to the following provisions:

A. REDUCTION IN SIZE OF SERVICE

A requested change to a smaller size service must be approved by the District and will be made without charge to the applicant after the applicant has paid the installation charges as set forth in the Schedule of Rates and Charges. No System Capacity Charges will be assessed for reduction in size of service. The owner shall not be entitled to a refund of any portion of a System Capacity Charge paid for the larger meter.

B. INCREASE IN SIZE OF SERVICE

A requested increase in the size of a service must be approved by the District and will be made by the District after the applicant has paid the installation charges the difference between the installation and the System Capacity Charges of the new service size and the existing service size as set forth in the Schedule of Rates and Charges.

C. REPLACEMENT OR RELOCATION OF SERVICE LARGER THAN 1½ INCHES

A requested relocation of any meter larger than 1½ inches or replacement of any meter larger than 1½ inches with a meter of equivalent size must be approved by the District and will be made by the District after the applicant has paid the installation charges. If the relocation or replacement is in support of improvements to existing structures and/or new construction, the District will determine if the changes will result in an increase in the estimated annual average water usage for the premises, and will require payment of an additional System Capacity Charge for the increased usage as provided in the Schedule of Rates and Charges. The owner shall not be entitled to a refund of any portion of a System Capacity Charge paid for the original meter based on a resultant reduction in the water usage resulting from the changes.

If the customer's rate of consumption results in excessive wear of the meter or is such that the meter is unable to measure the flow of water accurately, the District may increase the size of the service and require payment of the appropriate installation, service charges, and System Capacity Charge as provided in the Schedule of Rates and Charges, or it may install a device to limit the use of water to the rated capacity of the meter. For services larger than 1 ½ inches, where the customer's annual average water use increases as a result from a change-in-use and/or expansion of an existing use, the District will require payment of the appropriate System Capacity Charge for the additional water demand as provided in the Schedule of Rates and Charges.

SECTION 17

CHANGE IN SIZE OF SERVICE
(continued)

A c~~C~~hange in size of service which involves a change in location will only be approved by the District subject to the provisions of Section 18 and payment of the applicable relocation cost.

An installation charge, as provided in the Schedule of Rates and Charges, will be required when a customer applies for a change in type, increase in size, or change in location of an existing service connection.

Section 26

Protection of Public Water Supply

FY18

SECTION 26

PROTECTION OF PUBLIC WATER SUPPLY

In making plumbing connections, the customer is required to comply with Public Law 99-339 - The Safe Drinking Water Act Amendments of 1986, and the California Code of Regulations Title 17--Public Health. The water purveyor has the primary responsibility for protecting the public water supply from contamination by implementation of a cross-connection program.

Such regulations prohibit:

- unprotected cross-connections between a domestic water supply and any auxiliary water supply, or between a potable water supply and a nonpotable water supply;
- water service to a premises where there is a probability that a pollutant, contaminant, system or plumbing hazard may be created;
- water service where materials dangerous to health or toxic substances in toxic concentrations are handled; or
- water service where the water system is unstable and cross-connections may be installed or reinstalled.

Accordingly, the District requires the installation of backflow prevention devices under the following conditions:

- where another source of water including recycled water, whether cross-connected or not, is in use or is available for use; or
- where contaminated liquid or soluble substances of any kind are used, produced or processed.

Where a backflow device or other protective devices are used as a protection to the customer's plumbing system, a suitable pressure relief valve must be installed and maintained by the customer at his/her expense. The relief valve shall be installed between the backflow device and the water heater.

In special cases, the District may require the customer to eliminate certain plumbing or piping connections as an additional precaution to prevent backflow.

SECTION 26

PROTECTION OF PUBLIC WATER SUPPLY
(Continued)

The California Code of Regulations Title 17 requires the water purveyor to any premises on or for which backflow prevention devices or other protective devices are installed to assure that adequate maintenance and periodic testing are provided by the water user to ensure proper operation of these devices, and also requires that these devices be tested for water tightness and reliability at least once per year or more frequently if determined to be necessary by the water purveyor. Backflow prevention devices must be tested by persons who have demonstrated their competency in testing of these devices to the water purveyor or health agency. Accordingly, the District will establish a list of contractors who have demonstrated their competency in the testing of backflow prevention devices, and a list of approved devices that have passed laboratory and field evaluation tests performed by a DOHS recognized testing organization.

Double-check valve preventers and other protective devices may be inspected and tested for water tightness by the District. If the inspection cannot be made without undue difficulty because of an obstruction or other interference, the customer will be notified and required to either correct the condition or have the inspection made at his own expense and witnessed by the District.

Installation costs and the annual testing and maintenance of commercial backflow devices and residential backflow devices when a Reduced Pressure Principle Backflow Device (RP) is required shall be performed by a certified tester contracted by the consumer at his/her expense. A copy of the tester's certification shall be forwarded to the District's Backflow Unit. Service to any commercial premises may be discontinued if it is found that dangerous or unprotected cross-connections exist, or if any defect is found in the backflow or other protective devices. Service will not be restored until such defects are corrected at the customer's expense and applicable District restoration charges have been paid.

Installation, testing and maintenance of double check valve backflow devices for single-family premises where a residential well exists (conforming single-family premises) shall be performed by the District, at its expense, during normal working hours. Service for any residential premise may be discontinued if it is found that dangerous or unprotected cross-connections exist.

Section 31

Water Efficiency Requirements

FY18

SECTION 31

WATER EFFICIENCY REQUIREMENTS

These regulations identify the types of water efficiency requirements for water service and the procedure for notification to Applicants that water efficiency measures are required. The most water-efficient requirement of EBMUD, local, state or federal regulations in effect on the date the District receives payment for new or upgraded service shall apply.

A. DETERMINATION OF FEASIBILITY OF WATER EFFICIENCY MEASURES

The District will review applications for new standard services and determine the applicability of, and compliance with, water-efficiency requirements. Applicants for expanded service shall be required to meet the water-efficiency requirements for all new water service facilities and may be required to retrofit existing water service facilities or uses to comply with ~~these~~all requirements. Applicant shall maintain design documents and construction and installation records and furnish a copy of said documents and records to the District upon request. The District may inspect the installation of water efficiency measures to verify that the items are installed and performing to the required water ~~use~~efficiency levels. The Applicant or their representative may be present during any District inspection.

B. WATER EFFICIENCY REQUIREMENTS FOR NEW DEVELOPMENT OR EXPANDED SERVICE

Water service shall not be furnished to any Applicant for new or expanded service, or for any change in customer classification (such as a change from industrial to commercial, residential to commercial, or the like) that includes new or retrofitted water using equipment, unless all the applicable water-efficiency measures hereinafter described in this Section 31 and required by applicable local, state and/or federal law have been reviewed and approved by the District. All the applicable and required water-efficiency measures shall be installed at Applicant's expense.

C. INDOOR WATER USE

~~**a. Residential Water Service.**~~

a. Toilets shall be high-efficiency or dual flush models rated and (third party) tested at a maximum average flush volume of 1.28 gallons per flush (gpf), and be certified as passing a 350 gram or higher flush test as established by the U.S. Environmental Protection Agency WaterSense Specification or other District-accepted third party testing entity. Pressure-assisted type toilets shall be high-efficiency at a maximum 1.0 gpf. No flush or conversion devices of any other kind shall be accepted.

b. Urinals shall have a maximum rated flow of 0.125 gpf or less, or be zero water consumption urinals.

~~d.~~c. Showerheads shall be individually plumbed and have a maximum rated flow of 2.0 gallons per minute or less and be limited to one showerhead per shower stall of 2,500

SECTION 31

WATER EFFICIENCY REQUIREMENTS
(continued)

satisfy this requirement.

d. Residential ~~L~~lavatory faucets shall have aerators or laminar flow control devices ~~(i.e., orifices)~~ with a maximum rated flow of 1.2~~5~~ gallons per minute or less.

e. Public lavatory faucets shall have aerators or laminar flow control devices with a maximum rated flow of 0.5 gallons per minute or less.

f. Kitchen faucets shall have aerators or laminar flow control devices (i.e., orifices) with a maximum rated flow of ~~2.2~~1.8 gallons per minute or less with optional temporary flow of 2.2 gpm.

g. Clothes washing machines shall be front loading horizontal axis or top loading models with a water factor rating of 4.5 or less. A water factor rating of 4.5 means a maximum average water use of 4.5 gallons per cubic foot of laundry.

h. Residential ~~D~~dishwashers rated as standard size (i.e. 307 kWh/year) shall use less than or equal to 5.0 gallons/cycle. Dishwashers rated as compact size (i.e., 222 kWh/year) shall use less than or equal to 3.5 gallons/cycle.

~~**b. Non-Residential Water Service.**~~

~~a. Toilets shall be high-efficiency or dual flush models rated and (third-party) tested at a maximum average flush volume of 1.28 gallons per flush (gpf), and be certified as passing a 350 gram or higher flush test as established by the U.S. Environmental Protection Agency WaterSense Specification or other District-accepted third party testing entity. Pressure-assisted type toilets shall be high-efficiency rated at a maximum 1.0 gpf. No flush or conversion devices of any other kind shall be accepted.~~

~~b. Urinals shall have a maximum rated flow of 0.125 gpf or less, or be zero water consumption urinals.~~

~~c. Showerheads shall be individually plumbed and have a maximum rated flow of 2.0 gallons per minute or less, and be limited to one showerhead per shower stall of 2,500 sq. inches in area or less. Installation of flow restrictors in existing showerheads does not satisfy this requirement.~~

~~d. Lavatory faucets shall have aerators or laminar flow control devices (i.e., orifices) with a maximum rated flow of 1.5 gallons per minute or less.~~

~~e. Kitchen faucets shall have aerators or laminar flow control devices (i.e., orifices) with a maximum rated flow of 2.2 gallons per minute or less.~~

SECTION 31

WATER EFFICIENCY REQUIREMENTS
(continued)

~~f. Laundry washing machines shall be front loading horizontal axis or top loading models with both: (1) a maximum water factor rating of 4.5 or less. A water factor of 4.5 means a maximum average water use of 4.5 gallons per cubic foot of laundry or less.~~

~~g.~~i. Cooling towers not utilizing recycled water shall be equipped with recirculating systems and operate at a minimum of five (5) cycles of concentration. Newly constructed cooling towers shall be operated with conductivity controllers, as well as make up and blowdown meters.

~~h.~~j. Food steamers in all food service facilities shall be boiler less or self-contained models using ≤ 3.0 gallons per hour where applicable.

~~i.~~k. Commercial ~~i~~ice machines shall be air-cooled or use no more than 20 gallons of water per 100 pounds of ice and shall be equipped with a recirculating cooling unit. Self-contained, under-counter ice machines shall use no more than 25 gallons of water per 100 pounds of ice.

~~j.~~l. Commercial refrigeration shall be air-cooled or if water-cooled, must have a closed looped system. No once through, single pass systems are permitted.

~~k.~~m. Pre-Rinse ~~D~~dishwashing ~~S~~spray ~~V~~valves shall have a maximum rated flow of 1.6 gpm or less.

~~l.~~n. Commercial ~~D~~dishwashers or ware washing equipment shall be currently labeled an EnergyStar rated water efficient model meeting the maximum water consumption limits as specified in the table below:

Machine Type	High Temp Requirements	Low Temp Requirements
Under Counter	≤ 0.86 GPR	≤ 1.19 GPR
Stationary Single Tank Door	≤ 0.89 GPR	≤ 1.18 GPR
Pot, Pan, and Utensil	≤ 0.58 GPSF	≤ 0.58 GPSF
Single Tank Conveyor	≤ 0.70 GRP	≤ 0.79 GPR
Multiple Tank Conveyor	≤ 0.54 GRP	≤ 0.54 GRP
Single Tank Flight Type	≤ GPH ≤ 2.975x + 55.00	≤ GPH ≤ 2.975x + 55.00
Multiple Tank Flight Type	≤ GPH ≤ 4.96x + 17.00	≤ GPH ≤ 4.96x + 17.00

*GRP (gallons per rack); GPSF (gallons per square foot); GPH (gallons per hour)

o. Conveyor and in-bay ~~V~~vehicle wash facilities shall reuse a minimum of ~~5~~60% of water from previous vehicle rinses in subsequent washes.

p. Self-service wash facilities shall use spray nozzles with a flow rate of 3.0 gpm or less.

SECTION 31

WATER EFFICIENCY REQUIREMENTS
(continued)

~~m.~~g. Swimming pools and spas shall be covered when not in use. Public health and safety exemptions may be granted as solely determined by the District.

D. OUTDOOR WATER USE ~~(All Applicants)~~

~~**1. Landscaping.**~~

~~a. Plans with design details including plants, irrigation, grading and hydrozones shall be submitted to the District for review and approval by District for compliance with these Regulations prior to installation of a water meter. Detailed landscaping plans are required for any new or retrofitted landscaping greater than 2,500 square feet of landscaped area. Applicants with less than 2,500 square feet of landscaped area shall be required to complete a check list provided by the District including a planting and irrigation diagram for review by the District.~~

~~Landscaping shall include water efficient technology and use best management practices to reduce the annual supplemental irrigation requirement to the lowest practical amount not to exceed 70% of reference evapotranspiration for the landscaped area.~~

~~b. Ornamental Turf areas shall be limited to no more than 25% of the total landscaped area. Exceptions may be granted, in the sole discretion of the District, for approved drought tolerant grasses and for approved recreational areas. Turf is not permitted in any area or portion of an area with a dimension of less than eight feet on any side and shall meet precipitation rate requirements for slopes greater than 25 percent.~~

~~c. Non-turf areas shall be native or climate-appropriate species classified as low or very-low water use in the California Department of Water Resources publication Water Use Classification of Landscape Species (WUCOLS). Up to 20% of the non-turf landscaped area may have a medium or high water requirement as long as they are appropriately grouped together and irrigated separately. High and medium water use plants shall not be irrigated on the same zone that includes any low or very-low water use plant. The surface area of pools and water features shall be included in the 20% of non-turf medium or high water use landscaped area calculation.~~

~~d. Mulch: A minimum 3-inch layer of mulch shall be specified for non-turf planting areas unless there is a horticultural reason not to mulch.~~

~~2. **Irrigation.**~~

~~a. Irrigation Efficiency. Irrigation systems shall be designed, installed and operated to avoid overspray and runoff onto any adjacent hardscape or planting area. Irrigation systems shall be~~

SECTION 31

WATER EFFICIENCY REQUIREMENTS
(continued)

~~designed, installed and operated at the lowest practical amount of water not to exceed 70% of reference evapotranspiration for the landscaped area.~~

~~b. Automatic, self-adjusting irrigation controllers shall be required on all irrigation systems with three or more valves or landscaped areas of 1,000 sq. ft. or more and shall automatically activate and deactivate the irrigation system based on changes in the weather or soil moisture.~~

~~c. Overhead sprinklers and spray heads shall not be permitted in any landscaped area or portion of an area with a dimension of less than eight feet on any side and shall be offset a minimum of 24 inches away from impervious paving. All sprinklers and other emission devices shall have matched precipitation rates within each control valve or zone. Landscape design best practices shall include distribution uniformity, head-to-head spacing and other conditions as required by regulation and/or ordinance.~~

~~d. Valves and circuits shall be separated hydrozoned based on plant water requirement (including varying root depth), sun exposure, top and bottom of slope, and irrigation rate as applicable.~~

a. All Applicants shall comply with these regulations and those required by applicable local, state and/or federal law including the California Code of Regulations, Title 23, Division 2, Chapter 2.7 Model Water Efficient Landscape Ordinance (MWELO).

b. Applicants shall submit, at a minimum, a scaled site plan that identifies the property address, parcel boundaries, building footprints, hardscape, softscape, meter location, and location of each hosebib. Projects subject to MWELO shall also provide a compliant landscape documentation package as required by the ordinance.

c. For all projects subject to MWELO where landscaping is intended to be installed by a subsequent buyer or tenant and a landscape documentation package for each individual parcel is not prepared, the following will apply:

~~e.~~

- The District will estimate the irrigable area to determine the potential irrigation demand (default demand) for inclusion in the total domestic water demand calculation; and

- The applicant will document and install the following MWELO-compliant water efficient irrigation components:

  - i. All subject properties shall install a modular weather-based smart controller with rain sensor, an irrigation connection with an appropriate backflow prevention device and manual shutoff valve, and sleeves allowing irrigation to extend to all landscape areas; and

SECTION 31

WATER EFFICIENCY REQUIREMENTS
(continued)

ii. Non-residential properties with more than 1,000 square feet of irrigable area and residential properties with more than 5,000 square feet of irrigable shall also install a pressure regulator and a flow sensor with master valve.

d. Dedicated Irrigation Meter shall be required for:

- Residential projects ~~irrigated~~with an irrigable landscape~~d~~ area of 5,000 square feet or more.

~~f.~~• Non-residential projects with an irrigable landscape of 1,000 square feet or more.

~~g.~~e. Certificate of Completion.

- Applicant shall submit a landscape audit report verifying installation and irrigation efficiency per approved design on a form provided by the District. The audit shall be prepared by an accredited and certified third party landscape irrigation auditor.

~~**3. Swimming pools and spas.**~~

~~a. Covers are required for all pools and spas. Public health and safety exemptions may be granted as solely determined by District.~~

E. PENALTIES/CONSEQUENCES

Failure of Applicant to conform to this Regulation and these water-efficiency requirements stated herein may result in~~:~~ a requirement to resubmit water service application and water-efficiency plan(s) at Applicant's expense, and District's withholding of water meter(s) and account activation until District approves application for compliance with these requirements.

~~1. A requirement to resubmit water service application and water-efficiency plan at Applicant's expense until District approves water service.~~

~~2.~~1. ~~District's inability to release water meter(s) for installation and inability to activate account until water-efficiency plan is approved by District.~~

Real Property Use Application Fees

FY18

REAL PROPERTY USE APPLICATION FEES

TYPE OF USE	APPLICATION FEE
Fee Title *(Outright purchase of District property)* Properties for Sale Unsolicited	~~$2,000.00~~$2,100.00 ~~12,000.00~~12,300.00
Easement *(Rights for permanent use of District property, such as access, utilities, etc.)* Utility Type Other	~~2,000.00~~2,100.00 ~~5,600.00~~5,700.00
Quitclaim *(Removal of District's right, title and interest to property)* Pipe Abandonment Other	1,000.00 2,300.00
Revocable License *(Permission to use District property for periods exceeding one year, subject to revocation. For such uses as utility and road crossings of aqueduct properties)*	~~1,600.00~~1,700.00
Lease *(The right to occupy and use District land for a specified time period)*	~~2,000.00~~2,100.00
Telecommunication Lease *(Long-term lease for PCS, cellular and/or radio uses)*	~~3,400.00~~3,500.00
Information-only *(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)*	130.00/hr
Processing and Review of Watershed Land Use Proposals *(Request for District to perform a formal evaluation of watershed land use proposal)*	130.00/hr (plus all other District costs)
Property Entry Permits, Rights of Entry Permits *(Permission for temporary access onto District)*	~~300.00~~310.00
Limited Land Use Permit *(Allows landscaping, gardening or other minor surface use of District property, subject to annual renewal)*	~~100.00~~110.00
Temporary Construction Easement/Encroachment Permit *(Permission for temporary access onto District)* Open Land, No District Facilities With District Facilities	~~600.00~~630.00 2,200.00
Survey Costs if needed *(Application use fees listed above do not include survey costs if needed)*	~~$125.00/hr~~ $140.00/hr

Public Records Act Fee Schedule and District Publications Fees

FY18

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 (~~$0.54~~$0.56 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 ~~$0.52~~$0.56 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

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** (~~$0.54~~$0.56 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 (~~$1.02~~$1.05 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** (~~$0.54~~$0.56 per minute duplicating time)
Cost per tape (90-minute cassette tape = $1.68/tape)
+ Postage (if applicable)

D. COMPACT DISCS (CDs)

Fee = **Labor Cost** (~~$0.54~~$0.56 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** (~~$0.54~~$0.56 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	$34.95 each
District customer and employee	24.95 each
Hardcover	49.95 each
District customer and employee	29.95 each
Wholesalers	up to 60% discount
Vendors	up to 50% discount

Recreation Use Fees

Calendar Years 2018 and 2019

RECREATION USE FEES FOR 2018 and 2019
January – December 2018[1]
January 2019[1]

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 four~~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.

[1]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	Current CY17	Proposed CY18	Proposed CY19
PRESERVE LICENSE (QUANTITY PRICE BREAK)			
PRESERVE LICENSE:			
Initiation Fee (Family)	~~$2,995.00~~	$3,195.00	$3,195.00
Initiation Fee (Corporate)	~~2,995.00~~	3,195.00	3,195.00
Annual Maintenance (Family)	~~200.00~~	300.00	300.00
Annual Maintenance (Corporate)	~~400.00~~	500.00	500.00
LICENSED GUIDE GOOSE HUNT (PER PERSON/HUNT)	200.00	200.00	200.00
BIRD PROCESSING: (PRICE PER EACH)			
Pheasant	4.00	4.00	4.00
Chukar	4.00	4.00	4.00
20-bird card (pheasant and chukar) for 20	70.00	70.00	70.00
Duck	4.50	4.50	4.50
Goose	10.00	10.00	10.00
Smoking (all birds)	5.00	5.00	5.00
DOG RENTAL			
Half Day	75.00	75.00	75.00
Full Day	140.00	140.00	140.00
Special Hunt	140.00	140.00	140.00
SPORTING CLAYS			
Full Round Course (100 targets)	40.00	40.00	40.00
Half Round Course (50 targets)	22.00	22.00	22.00
~~Additional Round~~	~~10.00~~	~~10.00~~	~~10.00~~
~~Full-Day~~	~~50.00~~	~~50.00~~	~~50.00~~
25 targets (5-Stand/Grouse bunker)	9.00	9.00	9.00
5 targets (Skeet/trap)	6.00	6.00	6.00
ARCHERY RANGE AND COURSE			
7 Station 3-D target Course			
Per person	10.00	10.00	10.00
Per pair	18.00	18.00	18.00
Per group (max 4)	34.00	34.00	34.00
FISHING ACCESS TO RABBIT CREEK ARM OF CAMANCHE LAKE AND FARM PONDS LOCATED ON CHHP RECREATIONAL AREA			
Public Fishing Access	10.00	10.00	10.00
CHHP Members Access	5.00	5.00	5.00
FISHING ACCESS TO RABBIT CREEK ARM OF CAMANCHE LAKE			
Public Fishing Access: Bow for Carp	10.00	10.00	10.00

CAMANCHE HILLS HUNTING PRESERVE (continued)	Current CY17	Proposed CY18	Proposed CY19
RV Parking Area			
Nightly	$6.00	$6.00	$6.00
Clubhouse Rental (daily)	500.00	500.00	500.00
Kitchen Rental (daily)	500.00	500.00	500.00
Grounds (daily)	500.00	500.00	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 Target Shooting (sporting clay, trap, 5-stand and bunkers) discount of 15% is offered to Senior, ~~and~~ Disabled, and active or retired military visitors.

A Target Shooting discount of 50% is offered to Distinguished Veteran Pass holders.

A Driven Pheasant Shoot discount of 15% is offered to Senior, Disabled, active or retired military, and Distinguished Veteran Pass holders.

An RV Parking discount of 50% is offered to Senior, Disabled and Distinguished Veteran Pass holders.

Daily field trial events are permitted on a limited basis. Fees range from $0 for qualified non-profit organizations to a maximum of $200.00.

EBMUD employees and retirees, concession employees and Tri-County (Amador, Calaveras and San Joaquin) Public Safety Personnel receive a 20% discount on food purchases and a 10% discount on sporting clays.

Discounts and incentives are separate and cannot be combined for a larger discount or incentive.

~~The Daily fee is valid only on the date of purchase and provides the hunter with opportunities to hunt and harvest either 3 pheasants or 6 quail.~~

CAMANCHE RESERVOIR – NORTH SHORE AND SOUTH SHORE RECREATION AREAS	Current CY17	Proposed CY18	Proposed CY19
VEHICLE ENTRY/PARKING CAR/MOTORCYCLE/SMALL VAN			
Daily	~~$12.50~~	$13.00	$13.50
Daily, after 3:00pm ~~on non-holiday weekends~~weekdays except Memorial Day, Independence Day, and Labor Day	10.00	10.00	10.50
Daily (Off-season)	~~8.00~~	9.00	9.00
Nightly (non-camping)	~~12.00~~	13.00	13.50
Annual (12 consecutive months)	~~160.00~~	170.00	175.00
Combined Car/Boat Daily	17.00	17.00	17.00
Combined Car and Boat 5 Use Card (Off-season)	~~60.00~~	65.00	65.00
Combined Car and Boat 5 Use Card, after 3:00pm weekdays	~~37.50~~	40.00	40.00
Annual Marina Overnight/Day Use (12 consecutive months)	~~210.00~~	220.00	225.00
VEHICLE ENTRY/PARKING LARGE VANS AND BUSES			
Large Vans – 10-20 Passengers	19.00	19.00	19.00
Buses – 21+ Passengers	36.00	36.00	36.00
DOG – Daily	5.50	5.50	5.50
Annual (12 consecutive months concurrent with Annual Parking Pass)	35.00	35.00	35.00
BOAT LAUNCH			
Daily	~~10.00~~	11.00	12.00
Daily (Off-season)	~~7.00~~	8.00	9.00
Night	~~10.00~~	11.00	12.00
Annual (12 consecutive months)	~~150.00~~	160.00	165.00
Senior/Disabled/Former POW/Disabled Veteran Annual (12 consecutive months)	~~75.00~~	80.00	82.50
BOAT MOORING (Buoy)			
Nightly	~~15.00~~	16.00	16.00
Weekly	~~80.00~~	85.00	90.00
Monthly: under 30 feet	~~250.00~~	265.00	285.00
30 feet & larger	~~325.00~~	340.00	340.00
Annual (12 consecutive months):			
under 30 feet	~~1,450.00~~	1,500.00	1,550.00
30 feet & larger	~~1,900.00~~	2,000.00	2,050.00

CAMANCHE RESERVOIR – NORTH SHORE AND SOUTH SHORE RECREATION AREAS (continued)	Current CY17	Proposed CY18	Proposed CY19
BOAT SLIP OPEN (Excluding park entry)			
Daily	$30.00	$30.00	$30.00
Weekly	15.00	150.00	150.00
Monthly	350.00	350.00	350.00
Annual (12 consecutive months)	1,650.00	1,650.00	1,650.00
8 Months	1,350.00	1,350.00	1,350.00
Key Security Deposit	10.00	10.00	10.00
BOAT SLIP COVERED – 24' Length Maximum			
Daily	~~40.00~~	45.00	45.00
Weekly	~~170.00~~	180.00	190.00
Monthly	~~460.00~~	500.00	525.00
Annual (12 consecutive months)	~~1,850.00~~	2,000.00	2,100.00
Key Security Deposit	50.00	50.00	50.00
BOAT SLIP COVERED – (over 24' Length Excluding Park Entry)			
Daily	~~45.00~~	50.00	50.00
Weekly	~~210.00~~	225.00	250.00
Monthly	~~560.00~~	600.00	625.00
Annual (12 consecutive months)	~~2,250.00~~	2,500.00	2,600.00
Key Security Deposit	50.00	50.00	50.00
RV/TRAILER/BOAT STORAGE (Excluding park entry)			
Weekly	~~50.00~~	55.00	55.00
Monthly	~~120.00~~	130.00	130.00
12 Months, consecutive	~~700.00~~	750.00	750.00
Monthly – 30' Length Maximum (Concurrent with Mooring/Slip Rental)	~~55.00~~	60.00	60.00
Monthly – Over 30' (Concurrent with Mooring/Slip Rental)	~~85.00~~	90.00	90.00
Annual – 30' Length Maximum (Concurrent with Mooring/Slip Rental) (12 consecutive months)	~~300.00~~	320.00	320.00
Annual – Over 30' (Concurrent with Mooring/Slip Rental) (12 consecutive months)	~~425.00~~	450.00	450.00
Annual – concurrent with Mobile Home Space rent (12 consecutive months)	425.00	425.00	425.00
Annual – concurrent with Mobile Home Space Rent **(<28', 1** boat only, dry **# 3)** (12 consecutive months)	175.00	175.00	175.00

CAMANCHE RESERVOIR – NORTH SHORE AND SOUTH SHORE RECREATION AREAS (continued)	Current CY17	Proposed CY18	Proposed CY19
FISHING ACCESS PERMIT			
Daily	~~$6.00~~	$6.25	$6.50
Annual	~~130.00~~	135.00	140.00
CAMPSITE (w/vehicle parking)			
Nightly	~~28.00~~	30.00	32.00
Nightly (Off-season – Friday thru Sunday nights)	~~16.00~~	17.00	17.00
Midweek (Monday thru Thursday night)	~~8.00~~	8.50	8.50
Second Car Parking	~~12.00~~	15.00	15.00
Weekly	~~150.00~~	160.00	165.00
Second Car Weekly	~~70.00~~	75.00	75.00
14 nights	~~275.00~~	295.00	300.00
5 Use Card (Off-season)	~~75.00~~	80.00	85.00
Camping Reservation Fee	~~10.50~~	11.00	11.00
LAKESIDE PREMIUM CAMPSITES			
Nightly	~~35.00~~	38.00	40.00
Nightly (Off Season Friday thru Sunday nights)	~~16.50~~	17.00	18.00
Midweek (Monday thru Thursday night)	~~8.25~~	8.50	9.00
Second Car Parking	~~12.00~~	15.00	15.00
Weekly	~~180.00~~	190.00	195.00
Second Car Weekly	~~75.00~~	80.00	80.00
14 Nights	~~330.00~~	350.00	360.00
5 Use Card (Off Season)	~~75.00~~	80.00	85.00
CAMPSITES WITH YURT STRUCTURES			
8 person nightly	~~75.00~~	80.00	85.00
16 person nightly	~~125.00~~	135.00	150.00
8 person weekly	395.00	395.00	425.00
16 person weekly	645.00	645.00	655.00
CAMPSITE (WALK-IN/BICYCLE PARKING – 8 PERSON/BIKE MAX)			
Nightly	25.00	25.00	25.00
Weekly	135.00	135.00	135.00
14 nights	255.00	255.00	255.00

CAMANCHE RESERVOIR – NORTH SHORE AND SOUTH SHORE RECREATION AREAS (continued)	Current CY17	Proposed CY18	Proposed CY19
GROUP CAMP (Nightly)			
12-Person Limit	~~$95.00~~	$105.00	$110.00
16-Person Limit	~~115.00~~	125.00	135.00
24-Person Limit	~~135.00~~	150.00	160.00
32-Person Limit	~~175.00~~	200.00	210.00
64-Person Limit	~~305.00~~	350.00	375.00
72-Person Limit	~~360.00~~	400.00	425.00
GROUP CAMP (Nightly, off season)			
12-Person Limit	55.00	55.00	55.00
16-Person Limit	60.00	60.00	60.00
24-Person Limit	65.00	65.00	65.00
32-Person Limit	70.00	70.00	70.00
64-Person Limit	145.00	145.00	145.00
72-Person Limit	170.00	170.00	170.00
EQUESTRIAN – TURKEY HILL – 2 HORSES PER SINGLE SITE – "NO OFFSEASON DISCOUNTS"			
General Assembly Area	~~80.00~~	85.00	90.00
Turkey Hill Single	~~50.00~~	53.00	57.00
Turkey Hill Double	~~105.00~~	110.00	115.00
Turkey Hill Triple	~~125.00~~	130.00	135.00
Turkey Hill Quad	~~165.00~~	175.00	185.00
Entire Turkey Hill (includes assembly area)	~~590.00~~	625.00	650.00
RV SITE			
Nightly	~~48.00~~	50.00	52.00
Weekly	~~270.00~~	300.00	305.00
Monthly	~~500.00~~	550.00	575.00
Season (6-Month Max)	1,850.00	1,850.00	1,850.00
6 night off-season use card (Off Season)	~~180.00~~	185.00	190.00
Premium Sites (Peak Season)	~~53.00~~	55.00	57.00
Premium Sites Weekly (Peak Season)	~~325.00~~	330.00	335.00
TOWING			
Camanche Recreation Area per hour	~~110.00~~	115.00	120.00
MISCELLANEOUS			
Camanche Recreation Area Lake Tours	14.00	14.00	14.00
Holding Tank Pumping	100.00	100.00	100.00

CAMANCHE RESERVOIR – NORTH SHORE AND SOUTH SHORE RECREATION AREAS (continued)		Current CY17	Proposed CY18	Proposed CY19
COTTAGE/MOTEL GENERAL				
Camanche Recreation Area – Security Deposit		$200.00	$200.00	$200.00
Additional Guest Charge (to maximum occupancy)		15.00	15.00	15.00
COTTAGE (4-Person Base)				
May - Sept:	Night	~~170.00~~	175.00	180.00
	Week	~~800.00~~	825.00	850.00
Oct – ~~March~~April:	Night	115.00	115.00	115.00
	Week	570.00	570.00	570.00
	Month	1,500.00	1,500.00	1,500.00
COTTAGE (6-Person Base)				
May - Sept:	Night	~~215.00~~	225.00	225.00
	Week	~~935.00~~	950.00	950.00
Oct - April:	Night	150.00	150.00	150.00
	Week	700.00	700.00	700.00
	Month	1,250.00	1,250.00	1,250.00
MOTEL (TWIN)				
May - Sept:	Night	80.00	80.00	80.00
	Week	400.00	400.00	400.00
Oct - April:	Night	60.00	60.00	60.00
	Week	300.00	300.00	300.00
	Month	525.00	525.00	525.00
RESORT RENTAL (4 BEDROOM, 14 PERSON MAX)				
May - Sept:	Night	~~325.00~~	350.00	375.00
	Week	~~1,625.00~~	1,700.00	1,750.00
Oct - ~~March~~April:	Night	155.00	155.00	155.00
	Week	785.00	785.00	785.00
MOBILE HOME (MONTHLY)				
~~2 bedroom~~		~~CY16 Rate + HUD FMR~~	~~CY1 Rate + HUD FMR~~	~~CY1 Rate + HUD FMR~~
3 bedroom		~~CY16 Rate + HUD FMR~~$837.51	CY17 Rate + HUD FMR[1]	CY18 Rate + HUD FMR

CAMANCHE RESERVOIR – NORTH SHORE AND SOUTH SHORE RECREATION AREAS (continued)	Current CY17	Proposed CY18	Proposed CY19
MOBILE HOME SPACES (MONTHLY)			
North Shore 1A	~~CY16 Rate + HUD FMR~~ $474.77	CY17 Rate + HUD FMR	CY18 Rate + HUD FMR
North Shore 1B	~~CY16 Rate + HUD FMR~~ $499.71	CY17 Rate + HUD FMR	CY18 Rate + HUD FMR
North Shore 2	~~CY16 Rate + HUD FMR~~ $574.62	CY17 Rate + HUD FMR	CY18 Rate + HUD FMR
South Shore	~~CY16 Rate + HUD FMR~~ $502.71	CY17 Rate + HUD FMR	CY18 Rate + HUD FMR
OTHER MOBILE HOME FEES (Per Space – Monthly)			
Guest Fee	$75.00	$75.00	$75.00
Late Rent/Returned Check Fee	40.00	40.00	40.00
FACILITY RENTAL			
Lakeside Hall Daily (hall only)	700.00	700.00	700.00
Lakeside Hall Daily (kitchen & serviceware included)	1,000.00	1,000.00	1,000.00
Lakeside Hall Cleaning and Equipment Deposit	1,000.00	1,000.00	1,000.00
Camanche Clubhouse Rental Daily	150.00	150.00	150.00
Camanche Clubhouse Rental	100.00	100.00	100.00

[1]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 ~~–~~receive 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.

Active, reserve, retired, and veteran military personnel receive 20% discount on day use entry, boat rentals (excluding rental of the party barge), camping and short-term (14-day) RV sites and lodging. Military identification required. Discount may not be combined with other offers.

Distinguished Veteran Pass holders ~~–~~receive ~~F~~free day use and boat launch and 50% discount on non-holiday weekday boat rentals.

Mobilehome Park Tenants ~~–~~receive 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.

Camanche Reservoir – North and South Shore Recreation Area Discounts, Special Programs, Limitations (continued)

Campsite charges include one vehicle entry, and RV site charges include a second/tow vehicle. Monthly and Seasonal RV Park fees include one vehicle entry, but do not include electricity charge. Electricity is metered and charged separately. Each of the daily charges, except the fishing access permit, shall be valid and effective for the calendar day upon which the charge was made, from one hour before sunrise until one hour after sunset.

Fishing access permits are valid until midnight of said day.

Each of the weekly charges shall be valid and effective for the calendar week in which the charge is made, terminating at 1:00 p.m. on the seventh consecutive day of said period. The seasonal charges noted for each recreation area shall be valid and effective for a period not exceeding 24 consecutive hours and terminating at 1:00 p.m. during said period.

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	Current CY17	Proposed CY18	Proposed CY19
ENTRY AND PARKING – CAR/MOTORCYCLE/SMALL VAN			
Daily	$7.00	$7.00	$7.00
Annual (new, includes $25 access card)	145.00	145.00	145.00
Annual (renewal, using existing access card)	120.00	120.00	120.00
Replacement access card (gate card)	25.00	25.00	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	0.75	0.75
Senior/Disabled Season (new)	105.00	105.00	105.00
Senior/Disabled Season (renewal upon existing access card)	80.00	80.00	80.00
ENTRY AND PARKING – LARGE VANS AND BUSES			
Large Vans – 10-20 Passengers	18.00	18.00	18.00
Buses – 21+ Passengers	33.00	33.00	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	100.00	100.00
Medium (from 11 to 50 people)	500.00	500.00	500.00
Large (from 51 to 150 people)	1,000.00	1,000.00	1,000.00
BOAT LAUNCH			
Daily	4.00	4.00	4.00
Annual	50.00	50.00	50.00
Boat Inspection Fee	6.00	6.00	6.00
FISHING ACCESS			
Daily	5.00	5.00	5.00
GROUP PICNIC			
Small Site (Weekend/Holiday)	200.00	200.00	200.00
Small Site (Weekday/Non-Holiday)	100.00	100.00	100.00
Large Site (Weekend/Holiday)	350.00	350.00	350.00
Large Site (Weekday/Non-Holiday)	175.00	175.00	175.00
Special Events Fee	500.00 + $1/ participant	500.00 + $1/ participant	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 ~~–~~receive 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 ~~–~~receive ~~F~~free day use and boat launch and 50% discount on non-holiday weekday boat rentals.

PARDEE RECREATION AREA	Current CY17	Proposed CY18	Proposed CY19
VEHICLE ENTRY AND PARKING – CAR/MOTORCYCLE/SMALL VAN			
Daily/Nightly (Non-Camping)	$10.00	$10.00	10.50
Season	~~112.00~~	115.00	118.00
Combined Car/Boat Daily	~~17.00~~	15.00	16.00
VEHICLE ENTRY AND PARKING – LARGE VANS AND BUSES			
Large Vans – 10-20 Passengers	22.00	22.00	22.00
Buses – 21+ Passengers	38.00	38.00	38.00
DOG – Daily	5.00	5.00	5.50
Season (Concurrent with Season Parking Pass)	35.00	35.00	35.00
STANDARD BOAT LAUNCH			
Daily (Weekend included)	9.00	9.00	9.50
Season	~~100.00~~	103.00	106.00
CARTOP BOAT LAUNCH (Float Tube, Kayak, Canoe, Scull)			
Daily	5.00	5.00	5.50
Season	44.00	44.00	46.00
~~**BOAT MOORING**~~			
~~Monthly~~	~~120.00~~	~~120.00~~	~~120.00~~
~~Season~~	~~420.00~~	~~420.00~~	~~420.00~~
BOAT SLIP (excluding park entry)			
Daily	9.50	9.50	10.00
Weekly	45.00	45.00	50.00
Monthly	135.00	135.00	140.00
Season	680.00	680.00	690.00
Season (concurrent with season RV)	630.00	630.00	640.00
FISHING ACCESS			
Daily	6.00	6.00	6.50
Annual	195.00	195.00	200.00
MISCELLANEOUS			
RV/Campsite Reservation Fee	10.00	10.00	10.50

PARDEE RECREATION AREA (continued)	Current CY17	Proposed CY18	Proposed CY19
STANDARD CAMPSITE (w/vehicle parking)			
Nightly	$28.00	$28.00	$29.00
Second Car Parking	10.00	10.00	10.00
Weekly	168.00	168.00	174.00
Second Car Parking	60.00	60.00	60.00
PREMIUM CAMPSITE (w/vehicle parking)			
Nightly	31.00	31.00	32.00
Weekly	186.00	186.00	192.00
CAMPSITE (walk-in/bicycle parking) (8 person/8 bike maximum)			
Nightly	22.00	22.00	23.00
Weekly	132.00	132.00	138.00
DOUBLE CAMPSITE (16 people/2 vehicles)			
Nightly	52.00	52.00	55.00
Third or Fourth Vehicle	10.00	10.00	10.00
RV SITE			
Nightly	38.00	38.00	40.00
Weekly	228.00	228.00	240.00
Monthly	500.00	500.00	520.00
Season	3,050.00	3,050.00	3,150.00
Season – Premium Site	3,150.00	3,150.00	3,250.00
RV/TRAILER/BOAT STORAGE (excluding park entry)			
Weekly	20.00	20.00	25.00
Monthly	60.00	60.00	65.00
Season	~~490.00~~	500.00	510.00
Season – concurrent with season RV Site	440.00	440.00	445.00
12 Month Consecutive	660.00	660.00	670.00
TOWING	80.00	80.00	80.00
RESERVABLE SITE/FACILITY (charges in addition to above fees)			
Small (25 or less ~~persons~~people)	~~60.00~~	65.00	70.00
Medium (26-100 ~~persons~~people)	~~90.00~~	95.00	100.00
Large (101-150 ~~persons~~people)	~~120.00~~	130.00	150.00
Over 150 ~~persons~~people	~~235.00~~	250.00	265.00
Café/Pool Day Use Area (refundable deposit)	~~50.00~~	55.00	60.00

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 ~~–~~receive 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.

Active, reserve, retired, and veteran military personnel receive 20% discount on day use entry, boat rentals (excluding Deluxe Pontoon), and dry camping (excluding RV hook-up sites). Military identification required. Discount may not be combined with other offers.

Distinguished Veteran Pass holders ~~–~~receive ~~F~~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.

PARDEE RESERVOIR – DISCOUNTS, SPECIAL PROGRAMS, LIMITATIONS (continued)

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	Current CY17	Proposed CY18	Proposed CY19
ENTRY AND PARKING – CAR/MOTORCYCLE/SMALL VAN			
Daily	$7.00	$7.00	$7.00
Daily (Special Events)	5.00	5.00	5.00
Season	110.00	110.00	110.00
3-Month Season	36.00	36.00	36.00
ENTRY AND PARKING – LARGE VANS AND BUSES			
Large Vans – 10-20 Passengers	22.00	22.00	22.00
Buses – 21+ Passengers	40.00	40.00	40.00
DOG	2.00	2.00	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	120.00	120.00
Medium (11 to 50 people)	600.00	600.00	600.00
Large (51 to 150 people)	1,200.00	1,200.00	1,200.00
STANDARD BOAT LAUNCH			
Daily	8.00	8.00	8.00
Season (Entry & Boat Launch)	163.00	163.00	163.00
3-Month Season (Entry & Boat)	62.00	62.00	62.00
Boat Inspection Fee	6.00	6.00	6.00
CARTOP BOAT LAUNCH (Float Tube, Kayak, Canoe, Scull)			
Daily	4.00	4.00	4.00
Season (Entry and Cartop Launch)	124.00	124.00	124.00
3-Month Season (Entry and Cartop Launch)	41.00	41.00	41.00
FISHING ACCESS			
Daily	5.00	5.00	5.00
GROUP PICNIC			
Large Sites (Oaks) daily	260.00	260.00	260.00
Large Sites (Pines) daily	150.00	150.00	150.00
GAZEBO	60.00	60.00	60.00
TOWING	50.00	50.00	50.00

SAN PABLO RECREATION AREA (continued)	Current CY17	Proposed CY18	Proposed CY19
VISITOR CENTER & DECK RENTAL			
WEEKDAY EVENING VISITOR CENTER & DECK (Minimum charge for up to 3 hours)	$250.00	$250.00	$250.00
Extra hours	70.00	70.00	70.00
WEEKEND EVENING VISITOR CENTER & DECK (Minimum charge for up to 5 hours)	400.00	400.00	400.00
Extra hours	70.00	70.00	70.00
Evening Event Cleaning and Damage Deposit			
Events ending before 7:00 pm	150.00	150.00	150.00
Events ending after 7:00 pm	350.00	350.00	350.00
WEEKDAY VISITOR CENTER & DECK (8:00am-4:00pm)	200.00	200.00	200.00
2 consecutive days	350.00	350.00	350.00
3 consecutive days	500.00	500.00	500.00
Daytime Event Cleaning and Damage Deposit	125.00	125.00	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 ~~–~~receive 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 ~~–~~receive ~~F~~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	Current CY17	Proposed CY18	Proposed CY19
WATERSHED TRAILS			
Daily Permit	$3.00	$3.00	$3.00
Annual Permit	10.00	10.00	10.00
Three-Year Permit	20.00	20.00	20.00
Five-Year Permit	30.00	30.00	30.00

Wastewater Department

Schedule A

Rates for Treatment Service

FY18

SCHEDULE A
WASTEWATER DEPARTMENT
RATES FOR TREATMENT SERVICE

		Current	Proposed
I.	**Unit Treatment Rates**		
	Flow ($ per 100 cubic ft.)	~~$1.085~~	$1.139
	CODf ($ per pound of discharge)	~~0.321~~	0.337
	Suspended Solids ($ per pound)	~~0.469~~	0.492

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)	~~$5.55~~	$5.83
B.	Strength Charge (per dwelling unit)	~~7.64~~	8.02
	Minimum monthly charge per household	~~13.19~~	13.85
C.	Plus: A flow charge of $1.09 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	~~9.81~~	10.26
D.	Total Residential Charge (A+B+C above)[1]		
	Minimum monthly charge (for 8800)	~~$13.19~~	$13.85
	Maximum monthly charge (for 8800)	~~23.00~~	24.11
	Average monthly charge (for 8800)	~~19.73~~	20.69

[1]Does not include SF Bay Residential Pollution Prevention Fee

III.	**Non-Residential Charges**		
A.	Monthly service charge (per account~~meter~~)	~~$5.55~~	$5.83
B.	Treatment charge including flow processing (per 100 cubic feet of sewage discharge)		
2010	Meat Products	~~$7.12~~	$7.48
2011	Slaughterhouses	~~7.19~~	7.54

SCHEDULE A
WASTEWATER DEPARTMENT
RATES FOR TREATMENT SERVICE

		Current	Proposed
2020	Dairy Product Processing	~~$5.64~~	$5.91
2030	Fruit and Vegetable Canning	~~4.58~~	4.80
2040	Grain Mills	~~4.70~~	4.93
2050	Bakeries (including Pastries)	~~8.00~~	8.40
2060	Sugar Processing	~~4.38~~	4.60
2077	Rendering Tallow	~~14.34~~	15.04
2080	Beverage Manufacturing & Bottling	~~3.38~~	3.56
2090	Specialty Foods Manufacturing	~~14.50~~	15.22
2600	Pulp and Paper Products	~~4.04~~	4.24
2810	Inorganic Chemicals Mfgr.	~~5.38~~	5.65
2820	Synthetic Material Manufacturing	~~1.24~~	1.29
2830	Drug Manufacturing	~~2.52~~	2.66
2840	Cleaning and Sanitation Products	~~5.11~~	5.37
2850	Paint Manufacturing	~~9.99~~	10.48
2893	Ink and Pigment Manufacturing	~~3.52~~	3.70
3110	Leather Tanning and Finishing	~~13.66~~	14.35
3200	Earthenware Manufacturing	~~2.93~~	3.08
3300	Primary Metals Manufacturing	~~2.33~~	2.43
3400	Metal Products Fabricating	~~1.33~~	1.40
3410	Drum and Barrel Manufacturing	~~13.80~~	14.48
3470	Metal Coating	~~1.45~~	1.52
4500	Air Transportation	~~1.88~~	1.97
4951	Groundwater Remediation		1.18
5812	Food Service Establishments	~~4.95~~	5.20
6513	Apartment Buildings (5 or more units)	~~2.48~~	2.59
7000	Hotels, Motels with Food Service	~~3.59~~	3.77
7210	Commercial Laundries	~~3.13~~	3.29
7215	Coin Operated Laundromats	~~2.36~~	2.48
7218	Industrial Laundries	~~8.65~~	9.09
7300	Laboratories	~~1.70~~	1.78
7542	Automobile Washing and Polishing	~~2.26~~	2.36
8060	Hospitals	~~2.19~~	2.30
8200	Schools	~~1.60~~	1.68
	All Other Business Classification Code (includes dischargers of only segregated domestic wastes from sanitary conveniences)	~~2.48~~	2.59

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.

MT Code		Current	Proposed
A	0-9% Food, 91-100% Domestic	~~$2.48~~	$2.59
B	10-19% Food, 81-90% Domestic	~~2.73~~	2.85
C	20-29% Food, 71-80% Domestic	~~2.97~~	3.11
D	30-39% Food, 61-70% Domestic	~~3.22~~	3.37
E	40-49% Food, 51-60% Domestic	~~3.47~~	3.63
F	50-59% Food, 41-50% Domestic	~~3.72~~	3.90
G	60-69% Food, 31-40% Domestic	~~3.96~~	4.16
H	70-79% Food, 21-30% Domestic	~~4.21~~	4.42
I	80-89% Food, 11-20% Domestic	~~4.46~~	4.68
J	90-99% Food, 1-10% Domestic	~~4.70~~	4.94
K	0-9% Bakery, 91-100% Domestic	~~2.48~~	2.59
L	10-19% Bakery, 81-90% Domestic	~~3.03~~	3.17
M	20-29% Bakery, 71-80% Domestic	~~3.58~~	3.75
N	30-39% Bakery, 61-70% Domestic	~~4.14~~	4.33
O	40-49% Bakery, 51-60% Domestic	~~4.69~~	4.91
P	50-59% Bakery, 41-50% Domestic	~~5.24~~	5.50
Q	60-69% Bakery, 31-40% Domestic	~~5.79~~	6.08
R	70-79% Bakery, 21-30% Domestic	~~6.34~~	6.66
S	80-89% Bakery, 11-20% Domestic	~~6.90~~	7.24
T	90-99% Bakery, 1-10% Domestic	~~7.45~~	7.82

Minimum Monthly Treatment Charge:

6513	Apartment Buildings (5 or more units)	~~$43.75~~	$45.93
	All Others	~~5.55~~	5.83

Wastewater Department

Schedule B

Wet Weather Facilities Charge

FY18

SCHEDULE ~~F~~B
(Formerly Schedule F)

WET WEATHER FACILITIES CHARGE

Annual Charge Collected on Property Tax Bill

TYPE	RATE
Small Lot (0-5,000 sq ft)	~~$94.10~~$98.80
Medium Lot (5,001-10,000 sq ft)	~~$147.00~~$154.34
Large Lot (>10,000 sq ft)	~~$336.00~~$352.80

Wastewater Department

Schedule C

Industrial Permit Fees

FY18

SCHEDULE C

WASTEWATER DEPARTMENT
INDUSTRIAL PERMIT FEES

PERMIT TYPE	FEE
Wastewater Discharge Permit	~~$2,450~~$2,580 annual~~*~~
Estimation Permit~~s~~	~~$920~~$970 annual~~*~~
Limited Term Discharge Permit	~~$995~~$2,500 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

FY18

SCHEDULE D

WASTEWATER DEPARTMENT
OTHER FEES

TYPE	RATE
SF Bay Commercial Pollution Prevention Fee	$5.48/Mo[1]
SF Bay Residential Pollution Prevention Fee	$0.20/mo per dwelling unit[2]
Monitoring Fees	~~$1,300~~$1,360
Violation Follow-Up Fees	
Stage 1	$670
Stage 2	$1,410 + Testing Fees[3]
Stage 3	$2,950 + Testing Fees[3]
Private Sewer Lateral Compliance Fees	
Compliance Certificate	~~$225~~$250
Time Extension Certificate	~~$93~~$100
Inspection Reschedule	$73
Extra Lateral or Additional Verification Test	$66 per lateral
Off-Hours Verification	$200 for 2.5 hours
Non-Compliance – Initial Fee	$350
Non-Compliance – Monthly Fee	$87

[1]SF Bay Commercial Pollution Prevention Fee applicable to all non-residential accounts.
[2]SF Bay Residential Pollution Prevention Fee applicable to all residential accounts. Fee will be charged per dwelling unit up to 5 dwelling units.
[3]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 F

Rates for Resource Recovery Material Treatment

FY18

SCHEDULE ~~B~~F[1]
(Formerly Schedule B)

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~~Brine	Variable with Total Dissolved Solid (TDS) $0.04/gal ~~0-100,000~~<50,000 mg/l TDS $0.05/gal 50,001 – 100,000 mg/l TDS $0.08/gal > 100,000 mg/l TDS
Sludge	Variable with % Total Solids (TS) $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/ton - $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 G

Capacity Fees

FY18

SCHEDULE G

WASTEWATER DEPARTMENT
CAPACITY FEES

~~TABLE 1~~

Residential	($/dwelling unit)[1,5]	~~$2,150~~[2]	$2,510[2]
Non-Residential	($/ccf/mo)[3,4, 5]		
2010	Meat Products	~~$1,027~~	$1,233
2011	Slaughterhouses	~~1,003~~	1,179
2020	Dairy Product Processing	~~810~~	970
2030	Fruit and Vegetable Canning	~~656~~	782
2040	Grain Mills	~~661~~	778
2050	Bakeries (including Pastries)	~~1,129~~	1,338
2060	Sugar Processing	~~639~~	770
2077	Rendering Tallow	~~1,976~~	2,314
2080	Beverage Manufacturing & Bottling	~~491~~	587
2090	Specialty Foods Manufacturing	~~2,075~~	2,492
2600	Pulp and Paper Products	~~569~~	669
2810	Inorganic Chemicals Manufacturing	~~740~~	858
2820	Synthetic Material Manufacturing	~~180~~	209
2830	Drug Manufacturing	~~368~~	438
2840	Cleaning and Sanitation Products	~~734~~	876
2850	Paint Manufacturing	~~1,412~~	1,679
2893	Ink and Pigment Manufacturing	~~512~~	614
3110	Leather Tanning and Finishing	~~1,940~~	2,316
3200	Earthenware Manufacturing	~~411~~	478
3300	Primary Metals Manufacturing	~~327~~	381
3400	Metal Products Fabricating	~~194~~	227
3410	Drum and Barrel Manufacturing	~~1,968~~	2,358
3470	Metal Coating	~~210~~	245
4500	Air Transportation	~~272~~	319
5812	Food Service Establishments	~~693~~	813
7000	Hotels, Motels with Food Service	~~503~~	587
7210	Commercial Laundries	~~448~~	529
7215	Coin Operated Laundromats	~~339~~	400
7218	Industrial Laundries	~~1,240~~	1.486

SCHEDULE G

WASTEWATER DEPARTMENT
CAPACITY FEES
(Continued)

7300	Laboratories	~~246~~	289
7542	Automobile Washing and Polishing	~~323~~	379
8060	Hospitals	~~312~~	365
8200	Schools	~~232~~	271
	All Other Business Classification Codes (includes dischargers of only segregated domestic wastes from sanitary conveniences)	~~321~~	411

Permit Accounts[4, 6]

Flow ($/ccf/mo)	~~159.07~~	184.44
Chemical Oxygen Demand Filtered (CODF) ($/lb/mo)	~~46.88~~	57.27
Total Suspended Solids (TSS) ($/lb/mo)	~~63.10~~	72.96

[1] Includes BCC 6514 and 8800.

[2] Residential fee is calculated as follows:

Flow:	6.7	x	~~$159.07~~$184.44	=	~~$1,066~~	$1,236
CODF:	7.9	x	~~46.88~~57.27	=	~~370~~	452
TSS:	11.29	x	~~63.10~~72.96	=	~~712~~	824
					~~$2,148~~	$2,512
					~~Rounded to $2,150~~	Rounded to $2,510

[3] Capacity Fee is based on the anticipated maximum monthly flow contributions ~~multiplied by~~and 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)

[5]A credit may be provided for existing services. Where a new service will replace one or more existing or prior services to a premise ~~where~~and a capacity fee was paid, a credit will be ~~given toward~~applied to the new capacity fee ~~demand and~~ based on the previous capacity unit paid or if the existing service had not paid a capacity fee (for accounts in service prior to ~~but in service since~~ July 1, 1987) then the credit is based on historic use over the preceding 10 year period~~contributions~~.

[6] Total fee is a summation of the unit rates for flow, CODF, and TSS times permit conditions at the time of application.

RECOMMENDED SCHEDULES OF RATES, CHARGES AND FEES

FY19

<u>Water System</u>

Schedule A – Rate Schedule for Water Service

<u>Wastewater System</u>

Schedule A – Rates for Treatment Service

Schedule B – Wet Weather Facilities Charge

Schedule C – Industrial Permit Fees

Schedule D – Other Fees

Schedule F – Rates for Resource Recovery Material Treatment

Schedule A

Rate Schedule for Water Service

FY19

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	~~$22.60~~	$24.63
1 inch meter	~~34.13~~	37.20
1-1/2 inch meter	~~62.98~~	68.65
2 inch meter	~~97.58~~	106.36
3 inch meter	~~189.87~~	206.96
4 inch meter	~~293.70~~	320.13
6 inch meter	~~582.05~~	634.43
8 inch meter	~~928.11~~	1,011.64
10 inch meter	~~1,311.83~~	1,451.69
12 inch meter	~~1,850.94~~	2,017.52
14 inch meter	~~2,370.00~~	2,583.30
16 inch meter	~~3,004.44~~	3,274.84
18 inch meter	~~3,638.86~~	3,966.36

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
(Continued)

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.:

Potable Water Service	WATER FLOW CHARGE PER 100 CU. FT.	
Single Family Residential Accounts:		
For the first 172 gpd	~~$3.45~~	$3.76
For all water used in excess of 172 gpd, up to 393 gpd	~~4.74~~	5.17
For all water used in excess of 393 gpd	~~6.27~~	6.83
Multiple Family Residential Accounts:		
For all water used	~~4.87~~	5.31
All Other Water Use:		
For all water used	~~4.85~~	5.29

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.

Nonpotable/Recycled Water Service	WATER FLOW CHARGE PER 100 CU. FT.	
For all water used	~~$3.78~~	$4.12

SCHEDULE A

RATE SCHEDULE FOR WATER SERVICE
(Continued)

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	~~$45.20~~	$49.26
1 inch meter	~~68.26~~	74.40
1-1/2 inch meter	~~125.96~~	137.30
2 inch meter	~~195.16~~	212.72
3 inch meter	~~379.74~~	413.92
4 inch meter	~~587.40~~	640.26
6 inch meter	~~1,164.10~~	1,268.86
8 inch meter	~~1,856.22~~	2,023.28
10 inch meter	~~2,663.66~~	2,903.38
12 inch meter	~~3,701.88~~	4,035.04
14 inch meter	~~4,740.00~~	5,166.60
16 inch meter	~~6,008.88~~	6,549.68
18 inch meter	~~7,277.72~~	7,932.72

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
(Continued)

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.

Potable Water Service	WATER FLOW CHARGE PER 100 CU. FT.	
Single Family Residential Accounts:		
For the first 172 gpd	~~$3.45~~	$3.76
For all water used in excess of 172 gpd, up to 393 gpd	~~4.74~~	5.17
For all water used in excess of 393 gpd	~~6.27~~	6.83
Multiple Family Residential Accounts:		
For all water used	~~4.87~~	5.31
All Other Water Use:		
For all water used	~~4.85~~	5.29

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.

Nonpotable/Recycled Water Service	WATER FLOW CHARGE PER 100 CU. FT.	
For all water used	~~$3.78~~	$4.12

SCHEDULE A

RATE SCHEDULE FOR WATER SERVICE
(Continued)

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 $1,500; 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 $1,500, 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	~~$12.03~~	$13.11
1 inch meter	~~16.52~~	18.01
1-1/2 inch meter	~~27.71~~	30.20
2 inch meter	~~41.14~~	44.84
3 inch meter	~~76.99~~	83.92
4 inch meter	~~117.29~~	127.85
6 inch meter	~~229.28~~	249.92
8 inch meter	~~363.66~~	396.39
10 inch meter	~~520.43~~	567.27
12 inch meter	~~721.99~~	786.97
14 inch meter	~~923.57~~	1,006.69
16 inch meter	~~1,169.95~~	1,275.25
18 inch meter	~~1,416.31~~	1,543.78

SCHEDULE A

RATE SCHEDULE FOR WATER SERVICE
(Continued)

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	~~0.70~~	0.76
6 and greater	~~1.45~~	1.58

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.

Wastewater Department

Schedule A

Rates for Treatment Service

FY19

SCHEDULE A
WASTEWATER DEPARTMENT
RATES FOR TREATMENT SERVICE

		Current	Proposed
I.	**Unit Treatment Rates**		
	Flow ($ per 100 cubic ft.)	~~$1.139~~	$1.196
	CODf ($ per pound of discharge)	~~0.337~~	0.354
	Suspended Solids ($ per pound)	~~0.492~~	0.517

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)	~~$5.83~~	$6.12
B.	Strength Charge (per dwelling unit)	~~8.02~~	8.43
	Minimum monthly charge per household	~~13.85~~	14.55
C.	Plus: A flow charge of $1.09 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	~~10.26~~	10.80
D.	Total Residential Charge (A+B+C above)[1]		
	Minimum monthly charge (for 8800)	~~$13.85~~	$14.55
	Maximum monthly charge (for 8800)	~~24.11~~	25.35
	Average monthly charge (for 8800)	~~20.69~~	21.75

[1]Does not include SF Bay Residential Pollution Prevention Fee

III.	**Non-Residential Charges**		
A.	Monthly service charge (per account)	~~$5.83~~	$6.12
B.	Treatment charge including flow processing (per 100 cubic feet of sewage discharge)		
2010	Meat Products	~~$7.48~~	$7.85
2011	Slaughterhouses	~~7.54~~	7.92

SCHEDULE A
WASTEWATER DEPARTMENT
RATES FOR TREATMENT SERVICE

		Current	Proposed
2020	Dairy Product Processing	$5.91	$6.21
2030	Fruit and Vegetable Canning	4.80	5.04
2040	Grain Mills	4.93	5.18
2050	Bakeries (including Pastries)	8.40	8.82
2060	Sugar Processing	4.60	4.83
2077	Rendering Tallow	15.04	15.80
2080	Beverage Manufacturing & Bottling	3.56	3.74
2090	Specialty Foods Manufacturing	15.22	15.99
2600	Pulp and Paper Products	4.24	4.45
2810	Inorganic Chemicals Mfgr.	5.65	5.93
2820	Synthetic Material Manufacturing	1.29	1.36
2830	Drug Manufacturing	2.66	2.79
2840	Cleaning and Sanitation Products	5.37	5.64
2850	Paint Manufacturing	10.48	11.01
2893	Ink and Pigment Manufacturing	3.70	3.88
3110	Leather Tanning and Finishing	14.35	15.07
3200	Earthenware Manufacturing	3.08	3.24
3300	Primary Metals Manufacturing	2.43	2.56
3400	Metal Products Fabricating	1.40	1.47
3410	Drum and Barrel Manufacturing	14.48	15.21
3470	Metal Coating	1.52	1.60
4500	Air Transportation	1.97	2.07
4951	Groundwater Remediation	1.18	1.24
5812	Food Service Establishments	5.20	5.47
6513	Apartment Buildings (5 or more units)	2.59	2.73
7000	Hotels, Motels with Food Service	3.77	3.96
7210	Commercial Laundries	3.29	3.46
7215	Coin Operated Laundromats	2.48	2.60
7218	Industrial Laundries	9.09	9.55
7300	Laboratories	1.78	1.87
7542	Automobile Washing and Polishing	2.36	2.48
8060	Hospitals	2.30	2.42
8200	Schools	1.68	1.76
	All Other Business Classification Code (includes dischargers of only segregated domestic wastes from sanitary conveniences)	2.59	2.73

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.

MT Code		Current	Proposed
A	0-9% Food, 91-100% Domestic	$2.59	$2.73
B	10-19% Food, 81-90% Domestic	2.85	3.00
C	20-29% Food, 71-80% Domestic	3.11	3.28
D	30-39% Food, 61-70% Domestic	3.37	3.55
E	40-49% Food, 51-60% Domestic	3.63	3.83
F	50-59% Food, 41-50% Domestic	3.90	4.10
G	60-69% Food, 31-40% Domestic	4.16	4.37
H	70-79% Food, 21-30% Domestic	4.42	4.65
I	80-89% Food, 11-20% Domestic	4.68	4.92
J	90-99% Food, 1-10% Domestic	4.94	5.20
K	0-9% Bakery, 91-100% Domestic	2.59	2.73
L	10-19% Bakery, 81-90% Domestic	3.17	3.34
M	20-29% Bakery, 71-80% Domestic	3.75	3.95
N	30-39% Bakery, 61-70% Domestic	4.33	4.56
O	40-49% Bakery, 51-60% Domestic	4.91	5.17
P	50-59% Bakery, 41-50% Domestic	5.50	5.78
Q	60-69% Bakery, 31-40% Domestic	6.08	6.38
R	70-79% Bakery, 21-30% Domestic	6.66	6.99
S	80-89% Bakery, 11-20% Domestic	7.24	7.60
T	90-99% Bakery, 1-10% Domestic	7.82	8.21

Minimum Monthly Treatment Charge:

6513	Apartment Buildings (5 or more units)	$45.93	$48.27
	All Others	5.83	6.12

Wastewater Department

Schedule B

Wet Weather Facilities Charge

FY19

SCHEDULE B
(Formerly Schedule F)

WET WEATHER FACILITIES CHARGE

Annual Charge Collected on Property Tax Bill

TYPE	RATE
Small Lot (0-5,000 sq ft)	~~$98.80~~$103.74
Medium Lot (5,001-10,000 sq ft)	~~$154.34~~$162.06
Large Lot (>10,000 sq ft)	~~$352.80~~$370.44

Wastewater Department

Schedule C

Industrial Permit Fees

FY19

SCHEDULE C

WASTEWATER DEPARTMENT
INDUSTRIAL PERMIT FEES

PERMIT TYPE	FEE
Wastewater Discharge Permit	~~$2,580~~$2,700 annual
Estimation Permit	~~$970~~$1,015 annual
Limited Term Discharge Permit	$2,500 annual

Wastewater Department

Schedule D

Other Fees

FY19

SCHEDULE D

WASTEWATER DEPARTMENT
OTHER FEES

TYPE	RATE
SF Bay Commercial Pollution Prevention Fee	$5.48/Mo[1]
SF Bay Residential Pollution Prevention Fee	$0.20/mo per dwelling unit[2]
Monitoring Fees	~~$1,360~~$1,430
Violation Follow-Up Fees	
Stage 1	$670
Stage 2	$1,410 + Testing Fees[3]
Stage 3	$2,950 + Testing Fees[3]
Private Sewer Lateral Compliance Fees	
Compliance Certificate	$250
Time Extension Certificate	$100
Inspection Reschedule	$73
Extra Lateral or Additional Verification Test	$66 per lateral
Off-Hours Verification	$200 for 2.5 hours
Non-Compliance – Initial Fee	$350
Non-Compliance – Monthly Fee	$87

[1]SF Bay Commercial Pollution Prevention Fee applicable to all non-residential accounts.
[2]SF Bay Residential Pollution Prevention Fee applicable to all residential accounts. Fee will be charged per dwelling unit up to 5 dwelling units.
[3]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 F

Rates for Resource Recovery Material Treatment

FY19

SCHEDULE F[1]
(Formerly Schedule B)

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
Brine	Variable with Total Dissolved Solid (TDS) $0.04/gal ≤50,000 mg/l TDS ~~$0.05~~$0.06/gal 50,001 – 100,000 mg/l TDS ~~$0.08~~$0.09/gal > 100,000 mg/l TDS
Sludge	Variable with % Total Solids (TS) $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/ton - $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.

6. Appendix

Fiscal Year 2018 and 2019 Update to:

EAST BAY MUNICIPAL UTILITY DISTRICT
WATER AND WASTEWATER
COST OF SERVICE STUDY

Original Report/April 9, 2015

Update to Chapter 7 – Proposed FY18 and FY19 Water and Wastewater User Charges/May 4, 2017

7.0 PROPOSED FY18 & FY19 WATER AND WASTEWATER SERVICE CHARGES

The District Fiscal Year 2018 and 2019 (FY18 and FY19) water and wastewater service charges are based on the District's FY18 and FY19 revenue requirements and a detailed cost of service analysis. More specifically, the District's budgeted operating, capital and debt expenses were used to establish the FY18 and FY19 revenue requirements. The District's cost of service (COS) study rate model, prepared by Raftelis Financial Consultants, was used to calculate water and wastewater service charges for FY18 and FY19 that meet the FY18 and FY19 revenue requirements, and are consistent with the District's cost of service calculations.

The District's proposed budgets for FY18 and FY19 do not contain detailed budgeted costs by function, so the Test Year COS results are adjusted to match the FY18 and FY19 revenue requirements based on the budgets. The District does not anticipate that the distribution of expenses by function for FY18 and FY19 will be significantly different than the Test Year expenses. A detailed explanation of the proposed FY18 and FY19 operating expenses, capital improvement program, debt service expenses, revenue projections, water sales and wastewater treatment flows are contained in the Proposed Biennial Budget Fiscal Years 2018 and 2019 that was presented to the Board at the April 11, 2017 workshop.

This section documents the process and calculations made to determine the water and wastewater service charges for FY18 and FY19.

7.1 FY18 AND FY19 WATER SERVICE CHARGES AND CUSTOMER IMPACTS

Tables 7-1 and 7-2 show the current FY17 water service charges that were developed using the FY17 revenue requirement and the water service charges calculated by the COS study.

Table 7-1
Current FY17 Cost of Service Water Charges – Monthly Service Charge ($/Meter Size)

Meter Size	Monthly Meter Service Charge	Monthly Private Fire Service Charge
5/8 and 3/4 inch	$20.69	$11.01
1 inch	$31.24	$15.12
1 1/2 inch	$57.65	$25.36
2 inch	$89.32	$37.66
3 inch	$173.79	$70.47
4 inch	$268.83	$107.36
6 inch	$532.77	$209.87
8 inch	$849.53	$332.87
10 inch	$1,219.07	$476.37
12 inch	$1,694.22	$660.86
14 inch	$2,169.34	$845.37
1 inch	$2,750.06	$1,070.89
16 inch	$3,330.76	$1,296.39

Table 7-2
Current FY17 Cost of Service Water Charges – Flow Charge and Elevation Surcharge

		FY17
Flow Charges ($/Ccf)		
SFR		
Tier 1	0-7 Ccf	$3.16
Tier 2	8-16 Ccf	$4.34
Tier 3	16+ Ccf	$5.74
MFR		$4.46
All Other Water Use		$4.44
Nonpotable/Recycle Water		$3.46
Elevation Surcharge ($/Ccf)		
Band 1		$0.00
Band 2		$0.64
Band 3		$1.33

Table 7-3 shows the revenue requirement for FY18 and FY19 as calculated based on the proposed FY18 and FY19 budgets for the water enterprise. Based on an updated projection of water sales for FY18 and FY19, the FY17 COS water service charges shown in Tables 7-1 and 7-2 need to be increased by 9.25 percent in FY18 and 9 percent in FY19 to meet the rate revenue requirements[1].

Table 7-3
Water Revenue Requirement for FY18 and FY19

Water	FY18			FY19		
	Operating	**Capital**	**Total**	**Operating**	**Capital**	**Total**
Revenue Requirements						
Operating - O&M Expenses	$277,922,000		$277,922,000	$292,453,000		$292,453,000
Capital -Existing Debt Service		$187,874,000	$187,874,000		$188,498,000	$188,498,000
Capital - Proposed Debt Service		$11,677,000	$11,677,000		$21,539,000	$21,539,000
Capital - Admin Expenses		$40,000,000	$40,000,000		$40,000,000	$40,000,000
Capital - Direct Expenses		$227,746,000	$227,746,000		$229,847,000	$229,847,000
Total Revenue Requirements	**$277,922,000**	**$467,297,000**	**$745,219,000**	**$292,453,000**	**$479,884,000**	**$772,337,000**
Revenue Offsets						
Taxes		$30,000,000	$30,000,000		$30,712,000	$30,712,000
Power	$3,700,000		$3,700,000	$3,700,000		$3,700,000
Interest	$7,319,000		$7,319,000	$7,395,000		$7,395,000
SCC Applied to Debt Service		$27,000,000	$27,000,000		$27,945,000	$27,945,000
Operating Reimbursement	$11,564,000		$11,564,000	$11,911,000		$11,911,000
RARE Reimbursement	$3,000,000		$3,000,000	$3,090,000		$3,090,000
All Other		$14,877,000	$14,877,000		$14,966,000	$14,966,000
Transfer (to)/from Rate Stabilization Reserve	$26,000,000		$26,000,000	$2,000,000		$2,000,000
Total Revenue Offsets	**$51,583,000**	**$71,877,000**	**$123,460,000**	**$28,096,000**	**$73,623,000**	**$101,719,000**
Adjustments						
Transfer of Cash for Capital from Other Funds	$0	($167,043,000)	($167,043,000)	$0	($163,146,000)	($163,146,000)
Total Adjustments	**$0**	**($167,043,000)**	**($167,043,000)**	**$0**	**($163,146,000)**	**($163,146,000)**
Cost of Service to be Recovered from Rates	**$226,339,000**	**$228,377,000**	**$454,716,000**	**$264,357,000**	**$243,115,000**	**$507,472,000**

[1] As determined in the District's April 6, 2017 Memo to the Board of Directors on FY18 and FY19 rates.

Tables 7-4 and 7-5 show the proposed FY18 and FY19 monthly service charges and private fire service charges, and the rates used for the flow charge and elevation surcharge.

Table 7-4
FY18 and FY19 Water Service Charges – Monthly Service Charge ($/Meter Size)

	FY18	FY19
Monthly Water Service Charge		
Meter Size		
5/8 and 3/4 inch	$22.60	$24.63
1 inch	$34.13	$37.20
1 1/2 inch	$62.98	$68.65
2 inch	$97.58	$106.36
3 inch	$189.87	$206.96
4 inch	$293.70	$320.13
6 inch	$582.05	$634.43
8 inch	$928.11	$1,011.64
10 inch	$1,331.83	$1,451.69
12 inch	$1,850.94	$2,017.52
14 inch	$2,370.00	$2,583.30
1 inch	$3,004.44	$3,274.84
16 inch	$3,638.86	$3,966.36
Monthly Private Fire Service Charge		
Meter Size		
5/8 and 3/4 inch	$12.03	$13.11
1 inch	$16.52	$18.01
1 1/2 inch	$27.71	$30.20
2 inch	$41.14	$44.84
3 inch	$76.99	$83.92
4 inch	$117.29	$127.85
6 inch	$229.28	$249.92
8 inch	$363.66	$396.39
10 inch	$520.43	$567.27
12 inch	$721.99	$786.97
14 inch	$923.57	$1,006.69
1 inch	$1,169.95	$1,275.25
16 inch	$1,416.31	$1,543.78

Table 7-5
FY18 and FY19 Water Service Charges – Flow Charge and Elevation Surcharge

		FY18	FY19
Flow Charges ($/Ccf)			
SFR			
Tier 1	0-7 Ccf	$3.45	$3.76
Tier 2	8-16 Ccf	$4.74	$5.17
Tier 3	16+ Ccf	$6.27	$6.83
MFR		$4.87	$5.31
All Other Water Use		$4.85	$5.29
Nonpotable/Recycle Water		$3.78	$4.12
Elevation Surcharge ($/Ccf)			
Band 1		$0.00	$0.00
Band 2		$0.70	$0.76
Band 3		$1.45	$1.58

The proposed customer water bill impacts, shown in Tables 7-6 through 7-8, reflect the increases described previously. Table 7-6 shows the SFR bill impacts at various levels of water usage for FY18. Bill impacts for FY19 are approximately 9 percent more than those shown below.

Table 7-6
SFR Water Bill Impacts for FY18

Use Level	Monthly Use (Ccf)	FY17 Current Bill	FY18 Proposed Bill	Difference ($)	Difference (%)
Very Low	4	$33.33	$36.40	$3.07	9.2%
Low	6	$39.65	$43.30	$3.65	9.2%
Average	8	$47.15	$51.49	$4.34	9.2%
High	10	$55.83	$60.97	$5.14	9.2%
Very High	22	$116.31	$127.03	$10.72	9.2%

All bill calculations assume 5/8" or 3/4" meter.

Table 7-7 shows the MFR bill impacts at various levels of water usage for FY18. Bill impacts for FY19 are approximately 9 percent more than those shown below.

Table 7-7
MFR Water Bill Impacts for FY18

Use Level	Monthly Use (Ccf)	FY17 Current Bill	FY18 Proposed Bill	Difference ($)	Difference (%)
Very Low	15	$98.14	$107.18	$9.04	9.2%
Low	20	$120.44	$131.53	$11.09	9.2%
Average	42	$218.56	$238.67	$20.11	9.2%
High	60	$298.84	$326.33	$27.49	9.2%
Very High	100	$477.24	$521.13	$43.89	9.2%

All bill calculations assume 1" meter.

Table 7-8 shows the Other (non-residential) bill impacts at various levels of water usage for FY18. Bill impacts for FY19 are approximately 9 percent more than those shown below.

Table 7-8
Other Water Bill Impacts for FY18

Use Level	Monthly Use (Ccf)	FY17 Current Bill	FY18 Proposed Bill	Difference ($)	Difference (%)
Very Low	20	$178.12	$194.58	$16.46	9.2%
Low	50	$311.32	$340.08	$28.76	9.2%
Average	84	$462.28	$504.98	$42.70	9.2%
High	100	$533.32	$582.58	$49.26	9.2%
Very High	200	$977.32	$1,067.58	$90.26	9.2%

All bill calculations assume 2" meter.

7.2 FY18 AND FY19 WASTEWATER SERVICE CHARGES AND CUSTOMER IMPACTS

Tables 7-9 and 7-10 show the current FY17 wastewater service charges for residential and non-residential customers, respectively, that were developed using the FY17 revenue requirement and wastewater service charges calculated by the COS study.

Table 7-9
Current FY17 Cost of Service Wastewater Service Charges – Residential

	FY17
Monthly Service Charge (per Account)	$5.55
Monthly Strength Charge (per dwelling unit)	$7.64
Minimum Monthly Charge	$13.19
Plus: A flow charge per Ccf (maximum of 9 Ccf/mo)	$1.09
Minimum monthly flow charge	$0.00
Maximum monthly flow charge	$9.81
Total Monthly Residential Charge	
Minimum monthly charge	$13.19
Maximum monthly charge	$23.00
Average monthly charge at 6 Ccf	$19.73

Table 7-10
Current FY17 Cost of Service Wastewater Service Charges – Non-Residential

	FY17
Monthly Service Charge (per Account)	$5.55
Treatment charge including flow processing (per Ccf of sewage discharge)	
Meat Products	$7.12
Slaughterhouses	$7.19
Dairy Product Processing	$5.64
Fruit and Vegetable Canning	$4.58
Grain Mills	$4.70
Bakeries (including Pastries)	$8.00
Sugar Processing	$4.38
Rendering Tallow	$14.34
Beverage Manufacturing & Bottling	$3.38
Specialty Foods Manufacturing	$14.50
Pulp and Paper Products	$4.04
Inorganic Chemicals Mfgr.	$5.38
Synthetic Material Manufacturing	$1.24
Drug Manufacturing	$2.52
Cleaning and Sanitation Products	$5.11
Paint Manufacturing	$9.99
Ink and Pigment Manufacturing	$3.52
Leather Tanning and Finishing	$13.66
Earthenware Manufacturing	$2.93
Primary Metals Manufacturing	$2.33
Metal Products Fabricating	$1.33
Drum and Barrel Manufacturing	$13.80
Metal Coating	$1.45
Air Transportation	$1.88
Food Service Establishments	$4.95
Apartment Buildings (5 or more units)	$2.48
Hotels, Motels with Food Service	$3.59
Commercial Laundries	$3.13
Coin Operated Laundromats	$2.36
Industrial Laundries	$8.65
Laboratories	$1.70
Automobile Washing and Polishing	$2.26
Hospitals	$2.19
Schools	$1.60
All Other BCC (includes dischargers of only segregated domestic wastes from sanitary conveniences)	$2.48

Table 7-11 shows the current FY17 wet weather facilities charges that were developed using the FY17 revenue requirement and the wet weather facilities charges calculated by the COS study.

Table 7-11
Current FY17 Cost of Service Wet Weather Facilities Charges[1]

Lot Size (sq ft)	FY17
0-5,000	$94.10
5,001-10,000	$147.00
over 10,000	$336.00

Table 7-12 shows the revenue requirement for FY18 and FY19 based on the proposed FY18 and FY19 budgets for the wastewater enterprise. Based on an updated projection of treatment revenues for FY18 and FY19, the FY17 COS wastewater user charges, shown in Tables 7-9 through 7-11, need to be increased by 5 percent in FY18 and 5 percent in FY19 to meet the rate revenue requirements[2].

Table 7-12
Wastewater Revenue Requirement for FY18 and FY19

Wastewater	FY18			FY19		
	Operating	Capital	Total	Operating	Capital	Total
Revenue Requirements						
O&M Expenses	$70,558,000		$70,558,000	$73,141,000		$73,141,000
Capital -Existing Debt Service		$33,325,000	$33,325,000		$29,692,000	$29,692,000
Capital - Proposed Debt Service		$1,334,000	$1,334,000		$2,245,000	$2,245,000
Capital - Admin Expenses		$3,000,000	$3,000,000		$3,000,000	$3,000,000
Capital - Direct Expenses		$38,394,000	$38,394,000		$36,525,000	$36,525,000
Total Revenue Requirements	**$70,558,000**	**$76,053,000**	**$146,611,000**	**$73,141,000**	**$71,462,000**	**$144,603,000**
Revenue Offsets						
Resource Recovery	$3,500,000	$4,500,000	$8,000,000	$3,500,000	$4,500,000	$8,000,000
Property Taxes, less customer assistance		$4,817,000	$4,817,000		$4,930,000	$4,930,000
Ad Valorem Bond Levy		$2,220,000	$2,220,000		$0	$0
Interest	$1,539,000		$1,539,000	$1,553,000		$1,553,000
Laboratory Services	$4,138,000		$4,138,000	$4,262,000		$4,262,000
Reimbursements	$1,400,000		$1,400,000	$1,442,000		$1,442,000
Permit Fees	$1,600,000		$1,600,000	$1,600,000		$1,600,000
Capacity Charges		$1,800,000	$1,800,000		$1,863,000	$1,863,000
All Other Revenue			$0			$0
BABS REBATE		$2,500,000	$2,500,000		$2,500,000	$2,500,000
PSL FEES	$1,500,000		$1,500,000	$1,500,000		$1,500,000
PGS ENERGY SALES		$1,000,000	$1,000,000		$1,000,000	$1,000,000
MISC	$700,000		$700,000	$700,000		$700,000
Transfer (to)/from Rate Stabilization Reserve (RSR)	$0		$0	$0		$0
Total Revenue Offsets	**$14,377,000**	**$16,837,000**	**$31,214,000**	**$14,557,000**	**$14,793,000**	**$29,350,000**
Adjustments						
Transfer of Cash for Capital from Other Funds		($19,648,000)	($19,648,000)		($14,720,000)	($14,720,000)
Total Adjustments	**$0**	**($19,648,000)**	**($19,648,000)**	**$0**	**($14,720,000)**	**($14,720,000)**
Cost of Service to be Recovered from Rates	**$56,181,000**	**$39,568,000**	**$95,749,000**	**$58,584,000**	**$41,949,000**	**$100,533,000**

[2] As determined in the District's April 6, 2017 Memo to the Board of Directors on FY18 and FY19 rates.

Tables 7-13 and 7-14 show the proposed FY18 and FY19 wastewater service charges for residential and non-residential customers, respectively.

Table 7-13
FY18 and FY19 Wastewater Service Charges – Residential

	FY18	FY19
Monthly Service Charge (per Account)	$5.83	$6.12
Monthly Strength Charge (per dwelling unit)	$8.02	$8.43
Minimum Monthly Charge	$13.85	$14.55
Plus: A flow charge per Ccf (maximum of 9 Ccf/mo)	$1.14	$1.20
Minimum monthly flow charge	$0.00	$0.00
Maximum monthly flow charge	$10.26	$10.80
Total Monthly Residential Charge		
Minimum monthly charge	$13.85	$14.55
Maximum monthly charge	$24.11	$25.35
Average monthly charge at 6 Ccf	$20.69	$21.75

Table 7-14
FY18 and FY19 Wastewater Service Charges – Non-Residential

	FY18	FY19
Monthly Service Charge (per Account)	$5.83	$6.12
Treatment charge including flow processing (per Ccf of sewage discharge)		
Meat Products	$7.48	$7.85
Slaughterhouses	$7.54	$7.92
Dairy Product Processing	$5.91	$6.21
Fruit and Vegetable Canning	$4.80	$5.04
Grain Mills	$4.93	$5.18
Bakeries (including Pastries)	$8.40	$8.82
Sugar Processing	$4.60	$4.83
Rendering Tallow	$15.04	$15.80
Beverage Manufacturing & Bottling	$3.56	$3.74
Specialty Foods Manufacturing	$15.22	$15.99
Pulp and Paper Products	$4.24	$4.45
Inorganic Chemicals Mfgr.	$5.65	$5.93
Synthetic Material Manufacturing	$1.29	$1.36
Drug Manufacturing	$2.66	$2.79
Cleaning and Sanitation Products	$5.37	$5.64
Paint Manufacturing	$10.48	$11.01
Ink and Pigment Manufacturing	$3.70	$3.88
Leather Tanning and Finishing	$14.35	$15.07
Earthenware Manufacturing	$3.08	$3.24
Primary Metals Manufacturing	$2.43	$2.56
Metal Products Fabricating	$1.40	$1.47
Drum and Barrel Manufacturing	$14.48	$15.21
Metal Coating	$1.52	$1.60
Air Transportation	$1.97	$2.07
Groundwater Remediation	$1.18	$1.24
Food Service Establishments	$5.20	$5.47
Apartment Buildings (5 or more units)	$2.59	$2.73
Hotels, Motels with Food Service	$3.77	$3.96
Commercial Laundries	$3.29	$3.46
Coin Operated Laundromats	$2.48	$2.60
Industrial Laundries	$9.09	$9.55
Laboratories	$1.78	$1.87
Automobile Washing and Polishing	$2.36	$2.48
Hospitals	$2.30	$2.42
Schools	$1.68	$1.76
All Other BCC (includes dischargers of only segregated domestic wastes from sanitary conveniences)	$2.59	$2.73

Table 7-15 shows the wet weather facilities charges for FY18 and FY19. The increases mirror those of the wastewater increases, i.e., 5 percent per year.

Table 7-15
FY18 and FY19 Wet Weather Facilities Charges

Lot Size (sq ft)	FY18	FY19
0-5,000	$98.88	$103.74
5,001-10,000	$154.34	$162.06
over 10,000	$352.80	$370.44

The resulting customer bill impacts, shown in Tables 7-16 and 7-17, reflect the increases described previously. Table 7-16 shows the bill impacts for different customers with typical water usage for FY18. Bill impacts for FY19 are approximately 5 percent more than those shown below.

Table 7-16
Typical Customers Wastewater Bill Impacts for FY18

Customer Class	Monthly Use (Ccf)	FY17 Current Bill	FY18 Proposed Bill	Difference ($)	Difference (%)
SFR	6	$19.73	$20.69	$0.96	4.9%
MFR - Fourplex	25	$63.36	$66.41	$3.05	4.8%
Commercial - Office	50	$129.55	$135.33	$5.78	4.5%
Commercial - Restaurant	50	$253.05	$265.83	$12.78	5.1%
Industrial - Food Manufacturing	500	$7,255.55	$7,615.83	$360.28	5.0%

Note: Bill does not include SF Bay Pollution Prevention Charge

Table 7-17 shows the annual charges for the FY18 wet weather facilities charge collected on the property tax bill for different customers with typical lot sizes. The increase to the annual charges for the wet weather facilities charge for FY19 is approximately 5 percent more than that shown below.

Table 7-17
Wet Weather Facilities Charge Impacts for FY18

Customer Class	Median Lot Size (sq ft)	FY17 Current Bill	FY18 Proposed Bill	Difference ($)	Difference (%)
SFR	4,800	$94.10	$98.80	$4.70	5.0%
Duplex	4,500	$94.10	$98.80	$4.70	5.0%
Triplex	5,130	$147.00	$154.34	$7.34	5.0%
Fourplex	5,400	$147.00	$154.34	$7.34	5.0%
Apartment	7,400	$147.00	$154.34	$7.34	5.0%
All Other	14,300	$336.00	$352.80	$16.80	5.0%

7.3 DROUGHT SURCHARGES

The 2015 COS study developed a detailed cost of service analysis to calculate drought surcharges that may be implemented during the District's drought stages. Table 7-18 shows the District's drought stages. The drought stages are part of the District's Water Shortage Contingency Plan which includes the elements contained below with respect to demand reduction and purchase of supplemental supplies of water as a water shortage becomes more severe. The 2015 COS study developed drought surcharges that would address the financial impact that customer reductions in water use would have during specified drought stages. The revenue requirement for each drought stage was developed and a drought surcharge was calculated to recover water shortage costs such as costs of acquiring and providing supplemental water, costs of water shortage-related customer service, and losses of revenue, which increases with each drought stage. The drought surcharges, expressed as percentage of the potable water flow charge, are shown in Table 7-18. In the FY 2016 and FY17 budget, the Board adopted the staged system of drought surcharges to recover water shortage-related costs.

Table 7-18
Drought Stages and Drought Surcharges

Stage	**0**	**1**	**2**	**3**	**4**
Demand Reduction		Voluntary 0-15%	Voluntary 0-15%	Mandatory up to 15%	Mandatory ≥15%
Supplemental Supplies			Up to 35,000 acre feet	35,000-65,000 acre feet	> 65,000 acre feet
Rates and Charges	Normal rates	Normal rates	Normal rates + Up to 8% surcharge	Normal rates + Up to 20% surcharge	Normal rates + Up to 25% surcharge

The District's COS study developed drought surcharge percentages to be added to the potable water flow charges of up to 8 percent, 20 percent and 25 percent to be levied during water shortage Stages 2, 3 and 4, respectively. Drought surcharges would be applicable to all potable water customer accounts only if the EBMUD Board of Directors declares a Stage 2, 3, or 4 drought based on factors such as system water storage and the need to purchase supplemental supplies of water to meet customer demand. The drought surcharges correspond to increasingly severe stages of water shortages, and are added to the customer's total potable water flow charge during the billing period. The drought surcharges are calculated to meet the revenue requirements of each drought stage.

The District does not anticipate a water shortage in FY18 or FY19 as a result of the high levels of water currently in storage due to recent storms and reduced customer demand. However, the drought surcharge percentages that were developed in the 2015 COS study and adopted for FY16 and FY17 will remain in effect as a contingency plan in the unanticipated event of a water shortage. If implemented, the drought surcharges would impact the rates of the flow charge. Prior to implementing the drought surcharges, EBMUD will update drought-related costs and

develop and adopt surcharges consistent with the COS study and will not exceed the drought surcharge percentages listed above and the costs of providing service. The District's Proposition 218 notice for FY18 and FY19 includes information regarding these surcharges so that they remain available to the Board to implement the next time the District is in a water shortage that requires reductions in water use by its customers.

EBMUD

AGENDA NO. 10.
MEETING DATE May 9, 2017

TITLE **ORDINANCE AMENDING RETIREMENT ORDINANCE NO. 40**

☐ MOTION ☐ RESOLUTION ☒ ORDINANCE

RECOMMENDED ACTION

Introduction and first reading of an ordinance amending Section 21 of the EBMUD Employees' Retirement System Ordinance (Ordinance No. 40) to update the actuarially assumed rate of return ("ROR") from 7.50 percent to 7.25 percent.

SUMMARY

Section 21 of the Retirement Ordinance provides for an optional modification of a member's retirement allowance. Optional benefits are calculated using the actuarial equivalent of the member's retirement allowance, which is determined using the actuarially assumed ROR and mortality tables. The actuarially assumed ROR and the mortality tables have been updated pursuant to the recommendation of the Retirement System's actuary. It is recommended that Section 21 of the Retirement Ordinance be amended to reflect the adopted actuarially assumed ROR and mortality tables.

DISCUSSION

Section 21 of the Retirement Ordinance provides members with the option to receive the actuarial equivalent of his or her retirement allowance in the form of a lesser retirement allowance in order to provide for a greater benefit to a beneficiary. One factor used to determine the actuarial equivalent of the allowance is the actuarially assumed ROR.

Since 2011, the actuarially assumed ROR has been lowered three times in quarter percent steps (from 8.25 to 8.0, 7.75 and 7.50). At its January 19, 2017 meeting, the Retirement Board authorized a reduction to 7.25 percent. The reduction in the assumed ROR reflects the expectations that the investment returns may be lower in the future. This reduction was adopted as part of the quadrennial experience study conducted for the period of June 2012 to June 2016 by the Retirement System's actuary, Segal Company, and presented to the Retirement Board on November 10, 2016.

Funds Available: FY		Budget Code:
DEPARTMENT SUBMITTING Human Resources	DEPARTMENT MANAGER or DIRECTOR Laura A. Brunson	APPROVED General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.

In addition to the ROR, the Retirement Board also adopted the actuarial recommendation to update the mortality table assumptions which reflect the continuing trend toward longer life expectancies. The actuarially assumed ROR and the mortality tables are used to determine the optional benefits provided under Section 21.

The amendment to the Retirement Ordinance is also made to comply with the Economic Growth and Tax Relief Reconciliation Act (EGTRA), which requires that plan documents specify the actuarially assumed ROR and mortality tables used to calculate optional forms of benefits.

The authorized amendments to the Retirement Ordinance, discussed herein, shall become effective July 1, 2017. Thus, staff recommends that the Board amend the Retirement Ordinance to reflect these changes. The action taken by the Retirement Board in their role as Fiduciaries to accept the updated actuarial assumptions and requesting this update to the retirement Ordinance both help to ensure long-term financial stability of the District.

SUSTAINABILITY

Economic

The action of the Retirement Board to follow the recommendation of the actuaries to lower the assumed ROR helps to ensure the long-term stability of the Retirement System. Approval of this Ordinance will allow the Retirement Ordinance to be updated and in compliance with IRS Regulations, which lowers the risk of fines or other economic risks related to non-compliance.

Social

Locals 21, 39, 444 and 2019 were notified of the proposed Retirement Ordinance amendments on April 26, 2017 and have not expressed any concerns.

ALTERNATIVE

Do not approve amendments to the ordinance. This alternative is not recommended because the Retirement Ordinance must be updated to reflect the most recently adopted actuarial assumption for the purpose of calculating optional benefits and to maintain compliance with the Internal Revenue Service EGTRA regulations.

Attachment

Draft Prepared By

Office of General Counsel

ORDINANCE NO. _____

AN ORDINANCE, EFFECTIVE AS OF JULY 1, 2017,
AMENDING SECTION 21 OF ORDINANCE NO. 40, WHICH IS THE
EMPLOYEES' RETIREMENT SYSTEM ORDINANCE

Introduced by Director ; Seconded by Director

BE IT ENACTED by the Board of Directors of the East Bay Municipal Utility District that Ordinance No. 40, which is entitled "AN ORDINANCE ESTABLISHING A RETIREMENT SYSTEM FOR EMPLOYEES OF EAST BAY MUNICIPAL UTILITY DISTRICT, PROVIDING FOR THE PAYMENT OF RETIREMENT ALLOWANCES TO MEMBERS OF THE RETIREMENT SYSTEM, FOR THE PAYMENT OF DEATH BENEFITS AND SURVIVORSHIP BENEFITS, AND FOR THE COST OF LIVING ADJUSTMENTS, PRESCRIBING THE CONDITIONS UNDER WHICH SAID ALLOWANCES AND BENEFITS SHALL BE PAID, DETERMINING RATES OF CONTRIBUTION AND THE AMOUNTS OF RETIREMENT ALLOWANCES, DEATH BENEFITS AND SURVIVORSHIP BENEFITS, AND THE PERCENTAGE OF COST OF LIVING ADJUSTMENT, AND PROVIDING THE ADMINISTRATION OF SAID RETIREMENT SYSTEM," as amended from time to time, is further amended as follows:

1. Section 21 shall be modified as follows:

(a) Within sixty (60) days prior to the date of retirement for disability, a Member may elect to receive the actuarial equivalent of his or her Retirement Allowance as of the date of retirement in the form of a lesser Retirement Allowance payable throughout life with the following option:

If he or she dies before he or she receives in Annuity payments the amount of his or her Accumulated Retirement Contributions as it stood at his or her retirement, the balance of such Accumulated Contributions shall be paid to his or her Beneficiary or, in the absence of a named Beneficiary then living, to his or her estate.

(b) Within sixty (60) days prior to the date of retirement for service, a Member may elect to receive the actuarial equivalent of his or her Retirement Allowance as of the date of retirement in the form of a lesser Retirement Allowance payable throughout life, with one of the following options:

Option 1: If he or she dies before he or she receives in Annuity payments the amount of his or her Accumulated Retirement Contributions as it stood at his or her retirement, the balance of such Accumulated Contributions shall be paid to his or her Beneficiary or, in the absence of a named Beneficiary then living, to his or her estate.

Option 2: Upon his or her death, his or her lesser Retirement Allowance shall be continued throughout the life of and paid to the person nominated by him or her, effective with the first day of the month following the date of his or her death.

Option 3: Upon his or her death, one-half of his or her lesser Retirement Allowance shall be continued throughout the life of and paid to the person nominated by him or her, effective with the first day of the month following the date of his or her death.

Option 4: Upon his or her death, one-fourth of his or her lesser Retirement Allowance shall be continued throughout the life of and paid to the person nominated by him or her, effective with the first day of the month following the date of his or her death.

(c) Election of any option must be in writing signed by the Member and filed with the Secretary of the Retirement Board within sixty (60) days prior to his or her retirement. A Member shall have no right to change the basis of his or her Retirement Allowance after the effective date of his or her retirement, except as provided in Subsections (d) and (f).

(d) If a Member has elected to receive a Retirement Allowance under this Section, and the named Beneficiary dies before the Member's first Retirement Allowance payment is due, said Member may elect to receive a Retirement Allowance computed in accordance with provisions of this Section or provisions of Section 15.

(e) Where no option is selected, a Member, upon retirement for service or disability, shall be entitled to receive a Retirement Allowance during his or her lifetime only, and all rights of said Member or of any other person or persons claiming under him or her, except the right to his or her Retirement Allowance which is payable for the month in which his or her death occurred, and the right to a survivorship benefit as provided in Section 20(c) shall cease with his or her death; provided, however, that if the Retired Member dies before his or her first Retirement Allowance is due, his or her Accumulated Contributions shall be paid to his or her Beneficiary or, in the absence of a named Beneficiary then living, to his or her estate.

(f) Upon the death of a Retired Member, or upon the death of a person receiving an allowance under Option 2, Option 3, or Option 4, the full amount of the Retirement Allowance covering the month in which he or she died shall be paid to his or her Beneficiary or, in the absence of a named Beneficiary then living, to his or her estate.

(g) For purposes of this Section, the term "actuarial equivalent" means two or more optional forms of distribution that have the same present value as determined using the actuarial assumptions approved from time to time by the Retirement Board upon the recommendation of the Retirement System's actuary for determining System liabilities and incorporated into this Section. The **actuarial** assumptions ~~that were in effect as of July 1, 2013 and those shall take effect on July 1, 2015~~ are the following:

(1) Rate of Return: ~~7.75% effective July 1, 2013 and 7.50% effective as of July 1, 2015; and~~ **7.50% effective July 1, 2015 and 7.25% effective as of July 1, 2017; and**

(2) Mortality Table:

(A) Service Retirement:

(i) Member: ~~RP-2000 Combined Healthy Mortality Table projected with scale AA to 2016, set back one year for males, and weighted 70% and RP-2000 Combined Healthy Mortality Table projected with scale AA to 2016, set back two years for females and weighted 30%;~~ **Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected 20 years with the two-dimensional improvement scale MP-2015, set forward two years for males weighted 75% and set forward one year for females and weighted 25%;** and

(ii) Beneficiary: ~~RP-2000 Combined Healthy Mortality Table projected with scale AA to 2016, set back one year for males and weighted 30% and RP-2000 Combined Healthy Mortality Table projected with scale AA to 2016, set back two years for females and weighted 70%;~~ **Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected 20 years with the two-dimensional improvement scale MP-2015, set forward two years for males and weighted 25% and set forward one year for females and weighted 75%;** and

(B) Disability Retirement:

(i) Member: ~~RP-2000 Combined Healthy Mortality Table projected with scale AA to 2016 set forward six years for males, and weighted 70% and RP-2000 Combined Healthy Mortality Table projected with scale AA to 2016, set forward six years for females and weighted 30%;~~ **Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected 20 years with the two-dimensional improvement scale MP-2015, set forward nine years for males and weighted 75% and set forward nine years for females and weighted 25%;** and

(ii) Beneficiary: ~~RP-2000 Combined Healthy Mortality Table projected with scale AA to 2016, set back one year for males, and weighted 30% and RP-2000 Combined Healthy Mortality Table projected with scale AA to 2016, set back two years for females and weighted 70%.~~ **Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected 20 years with the two-dimensional improvement scale MP-2015, set forward two years for males and weighted 25% and set forward one year for females and weighted 75%.**

2. This Ordinance shall become effective as of July 1, 2017.

_____
President

I HEREBY CERTIFY that the foregoing Ordinance was duly and regularly introduced at a regular meeting of EAST BAY MUNICIPAL UTILITY DISTRICT held on May 9, 2017, at the offices of said District, 375 - 11th Street, Oakland, California, and thereupon, after being read, further action was scheduled for the regular meeting of said Board of Directors held at the same place on May 23, 2017, at which time the same was finally adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

_____
Secretary

APPROVED AS TO FORM AND PROCEDURE:

_____
General Counsel

{00016097;1}

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: May 4, 2017

MEMO TO: Board of Directors

FROM: Alexander R. Coate, General Manager ARC

SUBJECT: Legislative Report No. 07-17

The following issues are being referred to the Legislative/Human Resources Committee for review and recommendation to the Board of Directors for action, as appropriate.

RECOMMENDED ACTION

Approve positions on the following bills: 1) Support AB 732 (Frazier) Delta levee maintenance; 2) Oppose AB 898 (Frazier) Property taxation: revenue allocations: East Contra Costa Fire Protection District; 3) Support and Amend AB 975 (Friedman) Natural resources: wild and scenic rivers; 4) Support if Amended AB 968 (Rubio) Urban water use: water efficiency; 5) Support if Amended AB 1669 (Friedman) Urban water conservation standards and use reporting; 6) Support if Amended AB 1654 (Rubio) Water shortage: urban water management planning; 7) Support if Amended AB 1668 (Friedman) Water management planning; and 8) Oppose Unless Amended Trailer Bill 810 Water Conservation as a California Way of Life.

STATE LEGISLATION		RECOMMENDED POSITION
AB 732 (Frazier)	**DELTA LEVEE MAINTENANCE**	**SUPPORT**

Under existing law, the Delta levee maintenance program allows those local agencies that are authorized to maintain levees to request reimbursement from the state for costs incurred for the maintenance or improvement of State Water Project and non-State Water Project levees in the Sacramento-San Joaquin Delta (Delta). Existing law provides for reimbursement to eligible local agencies in an amount not to exceed 75 percent of those costs in excess of $1,000 per mile of levee. The 75 percent reimbursement limit applies until July 1, 2018, after which time the limit will decrease to 50 percent. Current law also allows local agencies to receive advances on their costs, not to exceed 75 percent of the estimated state share of costs. The authorization to provide advance payments expires on July 1, 2018.

AB 732 (Frazier), as amended on March 23, 2017, would make the Delta levee maintenance program's 75 percent reimbursement limit permanent by deleting the current sunset date of July 1, 2018. AB 732 would also make the advance payment authorization permanent by deleting the current sunset date of July 1, 2018.

The Delta levee maintenance program was initially established in 1973 to provide partial reimbursement by the state for Delta levee maintenance and improvement. In 1996, the Delta levee maintenance program statute was amended to include the 75 percent limit for the state funding share and a sunset date of July 1, 2006 was established for this limit. The 75 percent cost share has been extended multiple times. In 2006, the sunset for the 75 percent limit was extended by the legislature to July 1, 2010. In 2010, the statute was amended to extend the sunset date to July 1, 2013. In 2012, SB 200 (Wolk), which was passed by the legislature and which EBMUD supported, extended the sunset date to the current date of July 1, 2018.

According to the United States Geological Survey, the Delta includes about 57 islands or tracts that are protected from flooding by more than 1,100 miles of levees. Delta levees are vulnerable to collapse and continual maintenance and improvement activities are necessary to preserve the integrity of the levee system.

The Delta Protection Commission's Economic Sustainability Plan for the Sacramento-San Joaquin River Delta (2012) concluded that large investments in strengthening all of the Delta's levees are a cost-effective approach to improving water supply reliability, economic sustainability, and reliable energy, transportation, and water infrastructure. According to AB 732's author, "Appropriately funding the maintenance and improvement of the Delta levees is critical. The Delta Levee Subvention Program has been an actively used program to reimburse local governments and reclamation districts for levee maintenance since 1973. AB 732 will ensure the long-term financing mechanism the Delta infrastructure needs."

With regard to EBMUD, EBMUD's Mokelumne Aqueducts are protected by 55 miles of levees on five Delta islands. EBMUD has consistently worked with five reclamation districts to strengthen the levees that protect EBMUD's Mokelumne Aqueducts. State funding from Proposition 1E funded past projects with 85 percent covered by the state while EBMUD provided the remaining 15 percent as the local cost share. Recently, three additional projects with a total project cost of approximately $14.4 million were awarded funding from the Delta Levees Special Projects Program. The state funding will provide 85 percent of the costs while EBMUD will be providing the remaining 15 percent as the local cost share.

While EBMUD may not benefit directly from AB 732, the measure would assist with the maintenance and improvement of Delta levees by making the current 75 percent state cost share permanent and is consistent with EBMUD's Bay-Delta Protection policy (Policy 9.06) to "support the protection and enhancement of the Sacramento-San Joaquin Delta."

EBMUD has previously supported legislation to extend the sunset for Delta levee maintenance funding. EBMUD supported SB 554 (Wolk) in 2016. SB 554 was vetoed. In 2012, EBMUD supported SB 200 (Wolk). SB 200 was signed into law (Chapter 549 of 2012). EBMUD also supported SB 808 (Wolk) in 2010 and AB 798 (Wolk) in 2006. Both of these measures were signed into law (Chapter 23 of 2010 and Chapter 548 of 2006, respectively.)

The official list of support and opposition to AB 732 is shown below.

Support
Central Valley Flood Control Association

Opposition
None listed

AB 898 (Frazier)	**PROPERTY TAXATION: REVENUE ALLOCATIONS: EAST CONTRA COSTA FIRE PROTECTION DISTRICT**	**OPPOSE**

Existing property tax law requires the county auditor to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures. The California Constitution requires that a shift in the share of property tax revenue from one local special district to another be subject to approval by two–thirds of both houses of the legislature.

AB 898 (Frazier), as amended April 4, 2017, would require the Contra Costa County auditor to reallocate up to $10,500,000 of ad valorem property tax revenues per year from the East Bay Regional Park District (EBRPD) to the East Contra Costa Fire Protection District (ECC Fire Protection District).

California's one-percent property tax rate is a shared revenue source for local government entities, including cities, counties, special districts, and K-12 schools. The funds collected from the one-percent property tax rate in a county remain within that county and are used exclusively by local government. The distribution of property tax revenues among local government entities is done according to an allocation schedule known as "AB 8," which is codified in state law. There is an express prohibition on shifting the funds from one local entity to another without approval by two-thirds of both houses of the legislature.

Fire protection districts are a form of local government and receive a portion of the one-percent property tax collected within the county. A fire protection district has the authority to raise additional revenue via special taxes; assessments for fire suppression services or capital improvements; or fees to cover the cost of any service or enforcement the district provides. Special taxes and assessments must be approved by local voters.

ECC Fire Protection District has sought to raise additional revenue to supplement its share of local property tax revenues via special taxes several times since 2012. According to Contra Costa County election records, at least three funding measures have been rejected by the local voters since 2012: Measure S in 2012, and Measures Z and E in 2016. AB 898 seeks to secure funding for the ECC Fire Protection District in another way – by taking property tax revenue away from another local entity, EBRPD. According to EBPRD, this approach was not agreed to by EBRPD.

AB 898 would set a dangerous precedent for all local government agencies by mandating an involuntary shift in local property tax revenue from one agency to another in order to fill a revenue gap that local voters have opted not to fund. Any proposal to shift local property tax revenue from one or more local agencies to another should be negotiated and agreed to by the affected agencies prior to seeking legislation.

EBMUD has consistently opposed efforts intended to reduce the local property tax revenues received by special districts. An official support/opposition list is not yet available.

AB 975 (Friedman)	**NATURAL RESOURCES: WILD AND SCENIC RIVERS**	**SUPPORT AND AMEND**

The California Wild and Scenic Rivers Act (State Act) establishes the policy that certain rivers possessing extraordinary scenic, recreational, fishery, or wildlife values shall be preserved in their free-flowing state, together with their immediate environments, for the benefit and enjoyment of the people. The State Act defines "immediate environments" as the land located immediately adjacent to the segments of the river.

AB 975 (Friedman), as amended on March 23, 2017, would add "historical, cultural, geological, ecological, hydrological, botanical, or other similar values" to the values that certain rivers possess and should be preserved. AB 975 would also expand the protected area of land from the land immediately adjacent to the designated stretch of river to a one-quarter mile corridor along the river.

AB 975 is generally intended to align the State Act to more closely follow the 1968 Federal National Wild and Scenic Rivers Act (Federal Act). The State and Federal Acts share similar criteria with regard to the purpose of protecting rivers, the identification of free flowing rivers, establishing a study process, and identical classification system. However, the State Act differs from the Federal Act in two key ways: 1) values and; 2) area of affected land.

The State and Federal Acts share four common values – scenic, recreational, fishery, and wildlife. However, the Federal Act recognizes the four additional values of historical, cultural, geologic, and "other similar values." According to the Assembly Committee on Natural Resources analysis, federal agencies have also interpreted the term "other similar values" to include three interpreted values - ecological, botanical, and hydrological.

AB 975 would increase the number of values cited in the State Act from four to eleven by adding the four additional Federal Act values and the three interpreted values. By expanding the pool of State Act values from four to eleven, AB 975 could qualify more rivers for potential future designation due to the increase in qualifying criteria.

With regard to land, the State Act defines the "immediate environments" of the river as the land immediately adjacent to the river, and defines "river" to include up to the first line of permanently established riparian vegetation. The Federal Act encompasses a larger corridor of one-quarter mile of land adjacent to the designated segments of the river.

AB 975 proposes to comport the State Act with the Federal Act by redefining "immediate environments" to include the corridor of land within one-quarter mile of the designated segments of river. This change would have the likely effect of directing state and local governments to act in a manner that protects the one-quarter mile corridor of land adjacent to a designated river.

California has a varied system for managing its "wild and scenic" designated rivers due to the differences in designations. In California, there are 23 rivers with Federal Act designations and 15 rivers with State Act designations. Five of these rivers have dual designations. By more closely aligning the State Act with the Federal Act, AB 975 would provide more consistent management for all of the designated rivers in California, regardless of whether the river enjoys a State Act, Federal Act, or dual designation. AB 975 is broadly drafted and may apply both prospectively and retroactively, potentially affecting the management of the 11 State Act-only designated rivers due to the expansion in the amount of land subject to protection.

With regard to studies, AB 975 would affect studies that are in process to determine the suitability of a river for designation under the State Act. At this time the Mokelumne River is the only river in this category. The study process for the Mokelumne River has been initiated by the California Natural Resources Agency (Resources Agency), in accordance with 2015's AB 142 (Bigelow). The report and recommendations are due to the legislature by December 31, 2017, and the study is required to be conducted in accordance with the same law AB 975 proposes to change. If AB 975 successfully advances out of the legislature and is signed by the Governor this year, it would take effect one day after the required completion date for the Mokelumne River study.

In order to ensure the Mokelumne study is not deemed inadequate immediately upon its completion, an amendment will be needed. Staff will work with the Resources Agency and legislative staff to identify the specific amendment(s) needed to ensure the validity of the Mokelumne study relative to the changes proposed by AB 975.

Consistent with past practice regarding "Wild and Scenic" legislation, EBMUD delayed consideration of a formal position until a discussion could be held among Upper Mokelumne River Watershed Authority (UMRWA) members. AB 975 was discussed at the April 28th UMRWA meeting as an information item only. Concerns were raised by various members about the potential impact of AB 975 on the study of the Mokelumne River. Two members of UMRWA indicated they have adopted formal "oppose" positions on AB 975 – Amador Water Agency and Jackson Valley Irrigation District.

EBMUD supported the final version of AB 142 (Bigelow) which was signed into law in 2015 (Chapter 661). AB 142 requires a study on the suitability of including segments of the Mokelumne River in California's Wild and Scenic Rivers system and provides interim river protections.

The official list of support and opposition to AB 975 is shown below. Though no opposition is shown on the official list, staff has become aware of an opposition coalition that includes agricultural, business, and forestry organizations, and the Association of California Water Agencies.

Support
American Rivers
American Whitewater
Butte Environmental Council
California Water Impact Network
California Sportfishing Protection Alliance
California Outdoors
California Wilderness Coalition
CalTrout
Coast Action Group
Defenders of Wildlife
Foothill Conservancy
Friends of the Eel River
Friends of the River
KIER Associates
Merced River Conservation Committee
Natural Resources Defense Council
Northcoast Environmental Defense Council
Northern California Council International Federation of Fly Fishers
North Fork American River Alliance
Pacific Coast Federation of Fisherman's Associations
Sacramento River Preservation Trust
Safe Alternatives for Our Forest Environment
Sierra Club California
South Yuba River Citizens League
Two individuals

Opposition
None listed

DROUGHT PLANNING AND WATER CONSERVATION LEGISLATION

In May 2016, Governor Brown issued Executive Order B-37-16 that aimed to bolster drought planning/response and long-term water conservation/use-efficiency. The Executive Order directed five state agencies – the Department of Water Resources (DWR), the State Water Resources Control Board (SWRCB), the California Public Utilities Commission, the Department of Food and Agriculture and the California Energy Commission – to develop a long-term framework (Framework) to make water conservation a way of life, and improve drought resiliency. A final Framework report, entitled "Making Water Conservation a California Way of Life" was released in April 2017. Draft budget trailer bill language was subsequently released to implement the Framework. The draft trailer bill language has since been amended into two policy bills, AB 1668 (Friedman) and AB 1669 (Friedman), though the draft budget trailer bills also remain active.

The Legislature is currently considering two different approaches to drought planning/response and long-term water conservation/use-efficiency via the regular policy process. The first approach is the administration's approach represented by AB 1668 (Friedman) and AB 1669 (Friedman). These bills generally seek to provide a more uniform approach to the Urban Water Management Plan (UWMP) process, provide broad authority to the administration to mandate water shortage levels, as well as when urban water suppliers must declare water shortage emergencies, and require the SWRCB to set new long-term water-use efficiency standards. The second approach, co-sponsored by the Regional Water Authority and Irvine Ranch Water District, is represented by AB 968 (Rubio) and AB 1654 (Rubio). These bills seek to retain local authority and propose to update the information required in UMWPs and allow each urban retail water supplier to develop its own long-term water use efficiency target.

Though these bills share the similar objectives to bolster drought response/planning and long term conservation/water use-efficiency, the bills take fundamentally different approaches. Each approach is bifurcated into the topics of long-term water use targets, and drought response and urban water management planning. The discussion of all four bills is presented by topic in order to provide contrast between the two approaches

Long-term Water Use Targets – AB 968 (Rubio) and AB 1669 (Friedman)

AB 968 (Rubio)	**URBAN WATER USE: WATER EFFICIENCY**	**SUPPORT IF AMENDED**
AB 1669 (Friedman)	**URBAN WATER CONSERVATION STANDARDS AND USE REPORTING**	**SUPPORT IF AMENDED**

Existing law requires the state to achieve a 20 percent reduction in urban per capita water use on or before December 31, 2020, referred to as 20 x 2020. To achieve this 20 x 2020 goal, each urban retail water supplier was required to develop an urban water use target by 2011.

AB 968 (Rubio), as amended April 17, 2017, would require each urban retail water supplier to set a water efficiency target for 2025 in its 2020 UWMP and provides that targets may be determined through one of three options. These options are similar to the options available to urban retail water suppliers to develop their 20 x 2020 goals in existing law. AB 968 would require an urban retail water supplier to report on its compliance with the 2025 target in its 2025 UWMP, but may adjust its water efficiency target based on certain factors, such as a change in population. Under AB 968, an urban retail water supplier cannot be penalized by the state for failing to meet a water efficiency target before January 1, 2026.

AB 1669 (Friedman), as amended April 18, 2017, would require the SWRCB, in consultation with DWR, to adopt long-term standards for urban water conservation and water use by May 20, 2021, that include standards for indoor residential water use, outdoor irrigation water use, and industrial, institutional, and commercial water use. The measure would also authorize the SWRCB, in consultation with DWR, to adopt interim standards by emergency regulation and includes new enforcement mechanisms for violations of the long-term standards. The approach taken by these bills primarily differs in the level of state versus local control. This is evident in the two key areas discussed below – target setting and enforcement.

Target setting

AB 968 would retain the existing 20 x 2020 requirements and leave the responsibility for setting long-term water use efficiency targets entirely in the hands of urban retail water suppliers. The bill uses the 20 x 2020 goal development process as a model for setting a new target and would only require a new target for 2025. AB 968 relies only on target setting and would provide the state no role in setting more formal standards.

AB 1669 would also retain the existing 20 x 2020 requirements but would require the SWRCB to set long-term water use efficiency standards, not targets, via its regular rulemaking process. However, AB 1669 does not rely on the existing 20 x 2020 process for the new standards, and it is unclear what metrics would be used to develop the standards, whether external experts would be called upon to provide input beyond the regular public stakeholder process, and to what extent local conditions and individual urban retail water supplier efficiency achievements would be taken into account.

AB 1669 would also allow the SWRCB to adopt interim standards via emergency regulation, which bypasses the normal process for stakeholder input. AB 1669 would also allow the emergency regulations to remain in place in perpetuity if the SWRCB does not adopt long-term water use efficiency standards. In addition, AB 1669 would give the administration, via the SWRCB, the authority to continue to adopt new water use efficiency standards in the future in the absence of legislative oversight. This raises the questions of whether individual urban retail water suppliers that have successfully managed through droughts will be able to continue to implement local programs, whether there will be stakeholder input from experts in the field, and whether the legislature should continue to play a role in developing the long-term water use efficiency standards, as it historically has. In addition, providing the SWRCB with the authority

to set long-term water use efficiency standards, limits the role of DWR which in the past has played a lead role with regard to water efficiency planning.

Neither approach is ideal, and an alternative approach is needed. Clarification will be needed as to whether targets or more formal standards will be established. An acceptable approach would recognize the importance of an urban retail water supplier's own target/standard setting process and prior achievements, while enabling the state to establish and apply formal targets/standards to encourage continued efficiencies and compel action when an urban retail water supplier fails to act. All targets or standards adopted by the state should be done via regular rulemaking and not as emergency regulations, and significant DWR involvement should be preserved and clarified in any approach that moves forward.

Enforcement

AB 1669 would broadly expand SWRCB's "cease and desist" authority to apply to a violation of any SWRCB regulation. The SWRCB typically issues a "cease and desist" order for unauthorized diversions of water and the orders direct the diverter to "cease and desist" such diversions. It is unclear how this authority would be applied to violations of the long-term water conservation standards or whether a "cease and desist" order could be imposed on an urban retail water supplier based on customer behavior. However, this would represent a broad expansion of SWRCB authority to all regulations, including those that do not pertain to long-term water conservation standards, and raises questions regarding water rights. This unprecedented level of authority is not appropriate for long-term water use efficiency standards. A "cease and desist" order would potentially severely penalize an urban retail water supplier for lack of action by its customers. This is not appropriate. Though an urban retail water supplier can encourage ratepayer behavior, it cannot control it.

In contrast, AB 968 leaves all authority for the setting of targets and enforcement in the hands of the urban retail water suppliers and precludes any state agency from establishing or changing water efficiency targets. This approach suggests the state has no role in setting or enforcing water use efficiency targets and would preclude the state from acting in cases of egregious non-action by an urban retail water supplier. This approach would effectively preclude the state from acting regardless of the circumstances.

An alternative approach is needed to provide a more appropriate and narrow enforcement mechanism that preserves local authority while recognizing the need for the state to be able to address egregious situations.

Conclusion

Though these bills share similar objectives, the approaches are significantly different. AB 968 relies on local control with little to no role for the state, whereas AB 1669 takes an overly broad approach that would potentially limit the ability of good performing urban retail water suppliers, such as EBMUD, to continue to implement successful programs, and would grant the SWRCB new enforcement authority that goes beyond the scope of the bill and may have implications for

water rights. Amendments are needed to both approaches. Given the complexity of the proposed changes in law, negotiations on these bills should be viewed as a work in progress. Therefore, staff is recommending a "support if amended" position on both AB 968 and AB 1669 and will work with the authors, the legislature, and other stakeholders in an effort to reach an acceptable approach.

The official support and opposition lists are shown below.

AB 968 - Support
Alameda County Water District
Amador Water Agency
Association of California Water Agencies
Bay Area Water Supply and Conservation Agency
Bella Vista Water District
Calaveras County Water District
CalDesal
California Municipal Utilities Association
California Special Districts Association
California Water Association
Camrosa Water District
CA-NV Section of the American Water Works Association
Carlsbad Municipal Water District
Carmichael Water District
Casitas Municipal Water District
Citrus Heights Water District
City of Anaheim
City of Arcata
City of Buena Park
City of Eureka
City of Fairfield
City of Fountain Valley
City of Fullerton
City of Garden Grove
City of Huntington Beach
City of Long Beach Water Department
City of Newport Beach
City of Oceanside
City of Poway
City of Roseville
City of Sacramento
City of Sacramento Department of Utilities

AB 968 – Support (Continued)
City of San Diego
City of San Diego Public Utilities Department
City of Santa Ana
City of Santa Cruz Water Department
City of Santa Rosa
City of Seal Beach
City of Shasta Lake
City of Tustin
City of Yuba City
Coachella Valley Water District
Contra Costa Water District
Cucamonga Valley Water District
Desert Water Agency
East Orange County Water District
Eastern Municipal Water District
El Dorado Irrigation District
El Toro Water District
Elsinore Valley Municipal Water District
Fallbrook Public Utility District
Helix Water District
Humboldt Bay Municipal Water District
Humboldt Community Services District
Indian Wells Valley Water District
Irvine Ranch Water District (Sponsor)
Jurupa Community Services District
Laguna Beach County Water District
Lakeside Water District
Las Virgenes Municipal Water District
Long Beach Water Department
McKinleyville Community Services District
Mesa Water District
Monte Vista Water District

AB 968 – Support (Continued)
Monterey Peninsula Water Management District
Mountain Counties Water Resources Association
North Marin Water District
Olivenhain Municipal Water District
Orange County Water District
Otay Water District
Padre Dam Municipal Water District
Placer County Water Agency
Public Water Agencies Group
Regional Water Authority (Sponsor)
Rincon del Diablo Municipal Water District
Rio Linda/Elverta CWD
Sacramento Suburban Water District
San Diego County Water Authority
San Francisco Public Utilities Commission
San Juan Water District
Santa Margarita Water District
Scotts Valley Water District
Serrano Water District
Sonoma-Marin Saving Water Partnership
South Tahoe Public Utility District
Sweetwater Authority

AB 968 – Support (Continued)
Three Valleys Municipal Water District
Trabuco Canyon Water District
Vallecitos Water District
Valley Center Municipal Water District
Walnut Valley Water District
Western Municipal Water District
Yorba Linda Water District
Yuba City Water District
Zone 7 Water Agency

AB 968 – Opposition
Amigos de los Rios
California Coastal Protection Network
California Coastkeeper Alliance
Clean Water Action
Climate Resolve
Coastal Environmental Rights Foundation
Endangered Habitats League
Los Angeles Waterkeeper
Natural Resources Defense Council
Sierra Club
Surfrider Foundation
SYRCL & Yuba River Waterkeeper
Wholly H2O

AB 1669 – Support
California Coastkeeper Alliance
Ceres
Climate Resolve
Community Water Center
Environmental Justice Coalition for Water
Natural Resources Defense Council
Pacific Institute
WaterNow Alliance

AB 1669 - Opposition
Association of California Water Agencies
Desert Water Agency
East Valley Water District
El Dorado Irrigation District

Drought Response and Urban Water Management Planning – AB 1654 (Rubio) and AB 1668 (Friedman)

AB 1654 (Rubio)	**WATER SHORTAGE: URBAN WATER MANAGEMENT PLANNING**	**SUPPORT IF AMENDED**
AB 1668 (Friedman)	**WATER MANAGEMENT PLANNING**	**SUPPORT IF AMENDED**

Existing law, the Urban Water Management Planning Act, requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an Urban Water Management Plan (UWMP) and to update the UWMP once every five years. UWMPs are required to contain specified information including, but not limited to, the following: 1) a water shortage contingency analysis that includes stages of action to be taken in response to water supply shortages, including up to a 50 percent reduction in water supply; 2) an assessment that describes the reliability of the water supply in an average water year, a single-dry year, and multiple-dry years; 3) past, current, and projected water use; and 4) a description of an urban water supplier's demand management measures.

AB 1654 (Rubio), as amended March 28, 2017, would update the information required to be included in UWMPs, including the water shortage contingency analyses. The determination of water shortage stages, triggers for each stage, and actions to be taken in response to the stages would be solely within the purview of the urban water supplier. AB 1654 includes intent language meant to protect an urban water supplier that meets the requirements of its UWMP from being required to comply with any state mandates to reduce the use of its available water supply or comply with state conservation mandates. AB 1654's approach suggests the state has no role in drought planning and response, and would preclude the state from acting in cases of egregious non-action by an urban water supplier.

AB 1668 (Friedman), as amended April 18, 2017, is intended to provide a more uniform approach to UWMPs to better enable the state to act in cases of egregious non-action by an urban water supplier. AB 1668 would require UWMPs to include a prescriptive analysis of drought risk and water suppliers, and urban water supplies would be required to provide annual water budget forecasts to the Department of Water Resources (DWR). AB 1668 would replace the water shortage contingency analysis component of UWMPs with a formal Water Shortage Contingency Plan (WSCP) that, while included in the UWMP, would essentially be its own stand-alone plan. Under AB 1668, WSCPs would be required to include the one-size-fits-all-approach of six standard shortage stages, as well as specified minimum shortage response actions to go along with each of the shortage stages, and an urban water supplier would be required to declare a water shortage emergency at a prescribed level of shortage stage four.

The approach taken by AB 1668 is more prescriptive than that provided by AB 1654, with the bills taking differing approaches in several key areas – water shortage stages, planning timeframe, reporting, and enforcement.

Water Shortage Stages

AB 1654 would require the water shortage contingency analysis currently included in the UWMPs to include anticipated stages of action in response to water supply shortages, including up to a 50 percent reduction in water supply. The development of, and definition of stages, as well as the conditions that would trigger those stages, would be left up to each urban water supplier. This approach is essentially consistent with existing law.

AB 1668 takes a new more prescriptive approach that would require a WSCP to contain six standard shortage levels corresponding to progressive ranges of up to 10, 20, 30, 40, 50 and greater than 50 percent shortage, as well as require response actions that align with each of the six stages. These levels would apply to every urban water supplier in the state, regardless of local conditions or existing programs. AB 1668 would also mandate that an urban water supplier must declare a water shortage emergency at the prescribed "stage four," essentially when there is a water shortage of 40 percent. With regard to EBMUD, EBMUD has five stages based not just on water shortage percentage, but also on additional supplies available and demand reduction that will offset the shortage. Because the prescribed "stage four" does not reflect other factors such as additional supplies and local customer response, AB 1668 could require urban water suppliers to declare water shortage emergencies when local conditions do not warrant such a declaration.

Neither approach is ideal. AB 1668 is intended to ensure that urban water suppliers are taking robust action to prepare for and respond to drought, including declaring water shortages when appropriate. However, AB 1668 imposes a one-size fits all approach that does not match the intent of the administration's Framework to "empower water suppliers to take a place-based response to water shortages." AB 1668 lacks the flexibility urban water suppliers need regarding when to declare a water shortage emergency, and fails to take into consideration that meaningful water shortage levels will be different for each urban water supplier and will vary widely depending on each urban water supplier's available water supplies. AB 1654, on the other hand, does not provide a mechanism for the state to require action if an urban water supplier is not taking appropriate action.

An alternative approach that provides flexibility for an urban water supplier to define water shortage levels based on local conditions and determines when a water shortage emergency will be declared, as well as provides a mechanism for the state to act if an urban water supplier does not act is needed. Thus, amendments to both bills are needed.

Planning Timeframes

UWMPs currently require an assessment that describes the reliability of an urban water supplier's water supply in a normal water year, a single-dry water year, and multiple-dry water years. AB 1654 would require the assessment to include five consecutive dry years, rather than

multiple-dry water years, unless an urban water supplier finds that "a shorter multiple-year dry period would more severely impact its water supplies, in which case the urban water supplier shall use that shorter period." This provides needed flexibility for an urban water supplier to use shorter time frames, if needed, in planning for drought. This is consistent with the administration's Framework that would allow planning for more frequent and severe periods of drought.

AB 1668 would require such assessments to specifically include a drought lasting five or more consecutive water years rather than an assessment of multiple-dry water years. This is not consistent with the administration's Framework that would also allow planning for more frequent and severe periods of drought.

The objective of AB 1668, to ensure that an urban water supplier include an assessment of water conditions in a drought, such as the recent drought, is laudable. However, a one-size fits all approach does not work. Urban water suppliers need the flexibility to use shorter time frames in their assessments. The most severe timeframe that needs to be assessed depends on local hydrology. For example, in EBMUD's planning, a three year drought could be more severe and require a greater response than a period of five dry years.

The language in AB 1668 is not consistent with the stated intent of the Framework to "enable water suppliers to customize water management strategies and plan implementation to regional and local conditions." Amendments are needed to provide more flexibility and better align AB 1668 with the Framework.

Reporting

Energy use – Currently, an urban water supplier may, but is not required to, include information regarding energy use in its UWMP. AB 1654 does not change this provision in law. AB 1668 would require, rather than permit, the inclusion of energy use information in UWMPs. While including energy reporting information in UWMPs provides a mechanism for collecting water and energy data to support the inclusion of water efficiency measures in energy efficiency programs, requiring such reporting raises the question of whether this information would be used to impose a loading order on urban water suppliers. Such a loading order could dictate the use of water supply based solely on how much energy that water supply uses.

Amendments to AB 1668 are needed to clarify that energy use is only one factor in water supply planning, and shall not be considered independent of other factors. The language should also state that any attempt to establish a loading order approach will have the unintended consequences of destabilizing water supply reliability, particularly in times of drought. In addition, the author of AB 1654 may want to consider including energy provisions to better align the two approaches.

Enforcement

Enforcement of UWMPs and WSCPs – AB 1654 does not provide for any new enforcement of UWMPs or the water shortage contingency analysis that is part of the UWMPs. AB 1654 specifically states that during a drought or water shortage an urban water supplier cannot be required "to reduce its use or reliance on any water supply available for its use and identified in" its UWMP, or be required "to take additional actions beyond those specified in its water shortage contingency analysis." This would essentially prohibit the state from imposing any statewide mandates on an urban water supplier that are in addition to, or go beyond, any action identified in the urban water supplier's UWMP. This may not be appropriate as it could prevent the state, in the future, from requiring statewide water use reductions during a severe statewide drought if conditions warrant.

AB 1668 would require that UWMPs and WSCPs must be submitted to DWR to be reviewed for completeness, internal consistency, and conformity to the requirements in law. DWR must annually submit a report to the State Water Resources Control Board (SWRCB) summarizing water budget forecast results and include information on whether water shortage response actions are being taken in accordance with the water budget forecasts in order for the SWRCB to determine if "noncompliance enforcement is necessary." It is unclear what the enforcement action would be or what aspects of the plans it would apply to.

Amendments are needed to both measures to provide the SWRCB the ability to compel compliance where needed and to clarify the scope, nature, and limit of the enforcement authority.

SWRCB challenges – AB 1668 would exempt the SWRCB from time limitations imposed on others to challenge UWMPs and WSCPs. This raises the question of whether the SWRCB could choose to challenge an UWMP or WSCP well into the implementation phase. A challenge initiated well into a plan's implementation phase, for example three years, would take away any certainty that a UWMP or WSCP is sufficient and can be used for planning purposes. This would render these documents essentially useless as planning tools, which is entirely contrary to the intent of the plans. This uncertainty would also affect the land use planning process as new developments use UWMPs to determine if the development's project water use is accounted for and whether the urban water supplier will be able to serve the development. AB 1654 does not include this time limit exemption. Amendments are needed in AB 1668 to eliminate the proposed SWRCB exemption from the existing timeline to challenge an UWMP and/or WSCP.

Adherence to plans – AB 1668 would require an urban water supplier to adhere to the prescribed procedures and implement the response actions identified in its WSCP in drought and water shortage conditions. This raises two questions: 1) would an urban water supplier be prohibited from taking any action that is not described in its WSCP and 2) could an urban water supplier change how it intends to respond to any water shortage without having to formally amend its WSCP prior to taking any action? AB 1654 does not include such a requirement.

AB 1668's approach is too rigid. The UWMP and WSCP are planning tools that try and predict the full range of future conditions. However, actual conditions may, and often do, vary. Mandating adherence to a planning document strips away the ability of an urban water supplier to adjust and respond to on-the-ground conditions, the unique nuances of each water shortage, and the availability of water supplies.

Amendments are needed to provide an alternative approach that ensures urban water suppliers are taking appropriate action but that also gives urban water suppliers flexibility needed to change course and act as conditions warrant.

Conclusion

Though the objectives of AB 1654 and AB 1668 are similar, the approaches are significantly different. Amendments are needed to both approaches. Given the complexity of the proposed changes in law, negotiations on these bills should be viewed as a work in progress. Therefore, staff is recommending a "support if amended" position on both AB 1654 and AB 1668 and will work with the authors, the legislature, and other stakeholders in an effort to reach an acceptable approach.

The official support and opposition lists are shown below.

AB 1654 – Support

Alameda County Water District
Amador Water Agency
Anaheim Public Utilities
Association of California Water Agencies
Bay Area Water Supply and Conservation Agency
Bella Vista Water District
Calaveras County Water District
CalDesal
California Municipal Utilities Association
California Special Districts Association
California Water Association
Camrosa Water District
CA-NV Section of the American Water Works Association
Carlsbad Municipal Water District
Carmichael Water District
Casitas Municipal Water District
Citrus Heights Water District
City of Anaheim
City of Arcata
City of Buena Park

AB 1654 – Support (Continued)

City of Eureka
City of Fairfield
City of Fountain Valley
City of Fullerton
City of Garden Grove
City of Huntington Beach
City of Newport Beach
City of Oceanside
City of Poway
City of Roseville
City of Sacramento
City of Sacramento Department of Utilities
City of San Diego
City of San Diego Public Utilities Department
City of Santa Ana
City of Santa Cruz Water Department
City of Santa Rosa
City of Seal Beach
City of Shasta Lake
City of Tustin
City of Yuba City

AB 1654 – Support (Continued)
Coachella Valley Water District
Contra Costa Water District
Cucamonga Valley Water District
Del Paso Manor Water District
Desert Water Agency
East Orange County Water District
East Valley Water District
Eastern Municipal Water District
El Dorado Irrigation District
El Toro Water District
Elsinore Valley Municipal Water District
Fallbrook Public Utility District
Greater Eureka Chamber of Commerce, The
Helix Water District
Humboldt Bay Municipal Water District
Humboldt Community Services District
Indian Wells Valley Water District
Irvine Ranch Water District (Sponsor)
Jurupa Community Services District
Kern County Water Agency
Laguna Beach County Water District
Lakeside Water District
Las Virgenes Municipal Water District
Long Beach Water Department
Mckinleyville Community Services District
Mesa Water District
Metropolitan Water District of Southern California, The
Monte Vista Water District
Monterey Peninsula Water Management District
Mountain Counties Water Resources Association
North Marin Water District
Northern California Chamber Alliance
Olivenhain Municipal Water District
Orange County Water District
Otay Water District
Padre Dam Municipal Water District
Placer County Water Agency

AB 1654 – Support (Continued)
Public Water Agencies Group
Regional Water Authority (Sponsor)
Rincon del Diablo Municipal Water District
Rio Linda/Elverta CWD
Sacramento Suburban Water District
San Diego County Water Authority
San Francisco Public Utilities Commission
San Gorgonio Pass Water Agency
San Juan Water District
Santa Margarita Water District
Scotts Valley Water District
Serrano Water District
Sonoma-Marin Saving Water Partnership
South Tahoe Public Utility District
Sweetwater Authority
Three Valleys Municipal Water District
Trabuco Canyon Water District
Vallecitos Water District
Valley Center Municipal Water District
Walnut Valley Water District
Western Municipal Water District
Yorba Linda Water District
Zone 7 Water Agency

AB 1654 – Opposition
Amigos de los Rios
California Coastal Protection Network
California Coastkeeper Alliance
Clean Water Action
Coastal Environmental Rights Foundation
Climate Resolve
Endangered Habitats League
Los Angeles Waterkeeper
Mono Lake Committee
Natural Resources Defense Council
Sierra Club
Surfrider Foundation
SYRCL & Yuba River Waterkeeper
Wholly H2O

AB 1668 – Support
Ceres
Community Water Center
Leadership Counsel for Justice & Accountability
Rural Community Assistance Corporation

AB 1668 – Support (Continued)
Self Help Enterprises

AB 1668 – Opposition
Desert Water Agency
El Dorado Irrigation District

Trailer Bill 810 (Author TBD)	**WATER CONSERVATION AS A CALIFORNIA WAY OF LIFE**	**OPPOSE UNLESS AMENDED**

Budget Trailer Bill 810 (TB 810) is a draft trailer bill for which language has been posted on the California Department of Finance's website. The language in two policy measures discussed above, AB 1668 and AB 1669, is virtually the same as language included in TB 810.

The complicated and substantial policy shifts proposed in TB 810 do not lend themselves to the budget trailer bill process. It is critical that the policy be considered in the regular legislative process that allows for stakeholder input. Sufficient time must be afforded for stakeholders, including EBMUD, to work together to find an acceptable approach. However, in the event the legislature opts to utilize the trailer bill process, it will be important to leverage whatever opportunities exist for requesting amendments to TB 810 consistent with the amendments being requested in the policy bills discussed above. Therefore, staff is recommending an "oppose unless amended" position on TB 810. Staff stands ready to work with the administration, the legislature, and other stakeholders on these issues.

ARC:MD:JW

AMENDED IN ASSEMBLY MARCH 23, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL No. 732

Introduced by Assembly Member Frazier

February 15, 2017

An act to amend ~~Section 12929.12 of, to amend and renumber the heading of Chapter 1.5 (commencing with Section 12306) of Part 4.8 of Division 6 of, and to repeal Chapter 1 (commencing with Section 12300) of Part 4.8 of Division 6 of,~~ *Section 12987.5 of, and to amend and repeal Section 12986 of,* the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 732, as amended, Frazier. Delta ~~Flood Protection Fund.~~ *levee maintenance.*

Existing law establishes a delta levee maintenance program pursuant to which a local agency may request reimbursement for costs incurred in connection with the maintenance or improvement of project or nonproject levees in the Sacramento-San Joaquin Delta. Existing law declares legislative intent to reimburse eligible local agencies under this program, until July 1, 2018, in an amount not to exceed 75% of those costs that are incurred in excess of $1,000 per mile of levee. Existing law, until July 1, 2018, authorizes the board to provide funds to an eligible local agency under this program in the form of an advance in an amount that does not exceed 75% of the estimated state share.

This bill would extend indefinitely the operation of that declaration of legislative intent and the authorization to advance funds.

Existing law, on and after July 1, 2018, declares the intent of the Legislature to reimburse eligible local agencies under this program in an amount not to exceed 50% of those costs that are incurred in excess

of $1,000 per mile of levee in any year for the maintenance and improvement of levees. Existing law, on and after July 1, 2018, declares the intent of the Legislature that the maximum total reimbursement under the program shall not exceed $2,000,000 annually.

This bill would repeal these provisions.

~~Existing law established the Delta Flood Protection Fund in the State Treasury and states the intent of the Legislature to annually appropriate specified amounts of money in the fund to the Department of Water Resources for delta levee maintenance and delta flood protection projects. Existing law abolished the Delta Flood Protection Fund on July 1, 2010.~~

~~This bill would repeal obsolete provisions establishing the Delta Flood Protection Fund and would make conforming changes to existing law.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ *yes*. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 12986 of the Water Code, as amended by Section 3 of Chapter 549 of the Statutes of 2012, is amended to read:

12986. (a) It is the intent of the Legislature to reimburse an eligible local agency pursuant to this part for costs incurred in any year for the maintenance or improvement of project or nonproject levees as follows:

(1) No costs incurred shall be reimbursed if the entire cost incurred per mile of project or nonproject levee is one thousand dollars ($1,000) or less.

(2) Not more than 75 percent of any costs incurred in excess of one thousand dollars ($1,000) per mile of project or nonproject levee shall be reimbursed.

(3) (A) As part of the project plans approved by the board, the department shall require the local agency or an independent financial consultant to provide information regarding the agency's ability to pay for the cost of levee maintenance or improvement. Based on that information, the department may require the local agency or an independent financial consultant to prepare a comprehensive study on the agency's ability to pay.

(B) The information or comprehensive study of the agency's ability to pay shall be the basis for determining the maximum

allowable reimbursement eligible under this part. Nothing in this paragraph shall be interpreted to increase the maximum reimbursement allowed under paragraph (2).

(4) Reimbursements made to the local agency in excess of the maximum allowable reimbursement shall be returned to the department.

(5) The department may recover, retroactively, excess reimbursements paid to the local agency from any time after January 1, 1997, based on an updated study of the agency's ability to pay.

(6) All final costs allocated or reimbursed under a plan shall be approved by the Central Valley Flood Protection Board for project and nonproject levee work.

(7) Costs incurred pursuant to this part that are eligible for reimbursement include construction costs and associated engineering services, financial or economic analyses, environmental costs, mitigation costs, and habitat improvement costs.

(b) Upon completion of its evaluation pursuant to Sections 139.2 and 139.4, by January 1, 2008, the department shall recommend to the Legislature and the Governor priorities for funding under this section.

(c) Reimbursements made pursuant to this section shall reflect the priorities of, and be consistent with, the Delta Plan established pursuant to Chapter 1 (commencing with Section 85300) of Part 4 of Division 35.

~~(d) This section shall become inoperative on July 1, 2018, and, as of January 1, 2019, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2019, deletes or extends the dates on which it becomes inoperative and is repealed.~~

SEC. 2. Section 12986 of the Water Code, as amended by Section 2 of Chapter 549 of the Statutes of 2012, is repealed.

~~12986. (a) It is the intent of the Legislature to reimburse from the General Fund an eligible local agency pursuant to this part for costs incurred in any year for the maintenance or improvement of project or nonproject levees as follows:~~

~~(1) No costs incurred shall be reimbursed if the entire cost incurred per mile of levee is one thousand dollars ($1,000) or less.~~

~~(2) Fifty percent of any costs incurred in excess of one thousand dollars ($1,000) per mile of levee shall be reimbursed.~~

~~(3) The maximum total reimbursement from the General Fund shall not exceed two million dollars ($2,000,000) annually.~~

~~(b) This section shall become operative on July 1, 2018.~~

SEC. 3. Section 12987.5 of the Water Code is amended to read:

12987.5. (a) In an agreement entered into under Section 12987, the board may provide for an advance to the applicant in an amount not to exceed 75 percent of the estimated state share. The agreement shall provide that no advance shall be made until the applicant has incurred costs averaging one thousand dollars ($1,000) per mile of levee.

(b) Advances made under subdivision (a) shall be subtracted from amounts to be reimbursed after the work has been performed. If the department finds that work has not been satisfactorily performed or where advances made actually exceed reimbursable costs, the local agency shall promptly remit to the state all amounts advanced in excess of reimbursable costs. If advances are sought, the board may require a bond to be posted to ensure the faithful performance of the work set forth in the agreement.

~~(c) This section shall become inoperative on July 1, 2018, and, as of January 1, 2019, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2019, deletes or extends the dates on which it becomes inoperative and is repealed.~~

~~SECTION 1. Chapter 1 (commencing with Section 12300) of Part 4.8 of Division 6 of the Water Code is repealed.~~

~~SEC. 2. The heading of Chapter 1.5 (commencing with Section 12306) of Part 4.8 of Division 6 of the Water Code is amended and renumbered to read:~~

~~CHAPTER 1. GENERAL PROVISIONS~~

~~SEC. 3. Section 12929.12 of the Water Code is amended to read:~~

~~12929.12. (a) It is the intent of the Legislature that sixty-five million dollars ($65,000,000) of the funds that may be transferred, pursuant to paragraph (3) of subdivision (b) of Section 12937, to the California Water Fund from the California Water Resources Development Bond Fund, shall be appropriated to the Environmental Water Fund. It is the intent of the Legislature, subject to subdivision (b), to appropriate to the Environmental Water Fund one million dollars ($1,000,000) in the 1990–91 fiscal~~

~~year and eight million dollars ($8,000,000) per year in fiscal years 1991–92 to 1998–99, inclusive. However, the director, in consultation with the Department of Finance, may accelerate payments to the California Water Fund for appropriation to the Environmental Water Fund if the director deems it appropriate to do so.~~

~~(b) It is the further intent of the Legislature that if the director determines that all or any portion of the amount that would otherwise be appropriated in any fiscal year to the Environmental Water Fund in accordance with subdivision (a) is required for continued construction of the State Water Resources Development System pursuant to Section 12938, the entire amount that would otherwise be appropriated to the Environmental Water Fund for that fiscal year shall be reduced accordingly. It is also the intent of the Legislature that any reduction in funds appropriated to the Environmental Water Fund pursuant to this subdivision be made up from funds transferred to the California Water Fund pursuant to paragraph (3) of subdivision (b) of Section 12937 in subsequent fiscal years.~~

O

AMENDED IN ASSEMBLY APRIL 4, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL No. 898

Introduced by Assembly Member Frazier

February 16, 2017

An act *to add Article 3.5 (commencing with Section 97.90) to Chapter 6 of Part 0.5 of Division 1 of the Revenue and Taxation Code,* relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 898, as amended, Frazier. Property taxation: revenue ~~allocation: fire protection services.~~ *allocations: East Contra Costa Fire Protection District.*

Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally requires that each jurisdiction be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined. Existing property tax law also reduces the amounts of ad valorem property tax revenue that would otherwise be annually allocated to the county, cities, and special districts pursuant to these general allocation requirements by requiring, for purposes of determining property tax revenue allocations in each county for the 1992–93 and 1993–94 fiscal years, that the amounts of property tax revenue deemed allocated in the prior fiscal year to the county, cities, and special districts be reduced in accordance with certain formulas. It requires that the revenues not allocated to the county, cities, and special districts as a result of these reductions be transferred to

the Educational Revenue Augmentation Fund in that county for allocation to school districts, community college districts, and the county office of education. Existing property tax law prohibits these reductions and transfers from being made with respect to certain special districts, including multicounty special districts, as provided.

This bill, for the 2018–19 fiscal year and for each fiscal year thereafter, would require the auditor of the County of Contra Costa to allocate those ad valorem property tax revenues that would otherwise be allocated to the county's Educational Revenue Augmentation Fund from the East Bay Regional Park District, if the East Bay Regional Park District was not a multicounty special district, to the East Contra Costa Fire Protection District. The bill would limit the amount allocated to the East Contra Costa Fire Protection District pursuant to these provisions to $10,500,000 per fiscal year.

By imposing new duties upon local government officials in the allocation of ad valorem property tax revenues, this bill would impose a state-mandated local program.

This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Contra Costa.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

By reallocating ad valorem property tax revenue from the East Contra Costa Fire Protection District to the East Bay Regional Park District, this bill would change the pro rata shares in which ad valorem property tax revenues are allocated among local agencies in a county within the meaning of paragraph (3) of subdivision (a) of Section 25.5 of Article XIII of the California Constitution, and thus would require for passage the approval of ⅔ of the membership of each house of the Legislature.

~~Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures. Existing law generally requires that each jurisdiction be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the~~

~~annual tax increment, as defined. Existing law provides for the computation, on the basis of these allocations, of apportionment factors that are applied to actual property tax revenues in each county in order to determine actual amounts of property tax revenue received by each recipient jurisdiction. The California Constitution requires that a statute that changes for any fiscal year the pro rata shares of ad valorem property tax revenues that are allocated among local agencies in a county be approved by a ⅔ vote of each house of the Legislature.~~

~~This bill would state the intent of the Legislature to enact legislation that would reallocate property tax revenue to fire protection services.~~

Vote: ~~majority~~ *⅔*. Appropriation: no. Fiscal committee: ~~no~~ *yes*. State-mandated local program: ~~no~~ *yes*.

The people of the State of California do enact as follows:

SECTION 1. Article 3.5 (commencing with Section 97.90) is added to Chapter 6 of Part 0.5 of Division 1 of the Revenue and Taxation Code, to read:

Article 3.5. Revenue Allocation Shifts for the East Contra Costa Fire Protection District

97.90. Notwithstanding any other law, subject to Section 97.91, for the 2018–19 fiscal year and for each fiscal year thereafter, the auditor of the County of Contra Costa shall allocate those ad valorem property tax revenues that would otherwise be allocated to the county's Educational Revenue Augmentation Fund from the East Bay Regional Park District if the East Bay Regional Park District was not a multicounty special district for purposes of subdivision (c) of Section 97.2 and subdivision (c) of Section 97.3 to the East Contra Costa Fire Protection District.

97.91. The amount of ad valorem property tax revenues allocated to the East Contra Costa Fire Protection District pursuant to this article shall not exceed ten million five hundred thousand dollars ($10,500,000) per fiscal year.

SEC. 2. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique fiscal pressures being

encountered by the East Contra Costa Fire Protection District in providing vital fire protection services.

SEC. 3. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

~~SECTION 1. It is the intent of the Legislature to enact legislation that would reallocate property tax revenue to fire protection services.~~

O

AMENDED IN ASSEMBLY MARCH 23, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL No. 975

Introduced by Assembly Member Friedman
(Coauthor: Senator Allen)

February 16, 2017

An act to amend Sections 5093.50 and 5093.52 of the Public Resources Code, relating to wild and scenic rivers.

LEGISLATIVE COUNSEL'S DIGEST

AB 975, as amended, Friedman. Natural resources: wild and scenic rivers.

Existing law establishes that it is the policy of the state that certain rivers that possess extraordinary scenic, recreational, fishery, or wildlife values shall be preserved in their free-flowing state, together with their immediate environments, for the benefit and enjoyment of the people of the state.

This bill would revise that policy to specify that certain rivers that possess scenic, recreational, fishery, wildlife, historical, cultural, geological, ecological, hydrological, botanical, or other *similar* values shall be preserved in their free-flowing state, together with their immediate environments, for the benefit and enjoyment of the people of the state, and would revise the definition of "immediate environments," and define the term "extraordinary value" for purposes of that policy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 5093.50 of the Public Resources Code is amended to read:

5093.50. It is the policy of the State of California that certain rivers that possess extraordinary scenic, recreational, fishery, wildlife, historical, cultural, geological, ecological, hydrological, botanical, or other *similar* values shall be preserved in their free-flowing state, together with their immediate environments, for the benefit and enjoyment of the people of the state. The Legislature declares that such use of these rivers is the highest and most beneficial use and is a reasonable and beneficial use of water within the meaning of Section 2 of Article X of the California Constitution. It is the purpose of this chapter to create a California Wild and Scenic Rivers System to be administered in accordance with the provisions of this chapter.

SEC. 2. Section 5093.52 of the Public Resources Code is amended to read:

5093.52. As used in this chapter, the following terms have the following meaning:

(a) "Secretary" means the Secretary of the Natural Resources Agency.

(b) "Resources Agency" means the Natural Resources Agency and any constituent units of the Natural Resources Agency that the secretary determines to be necessary to accomplish the purposes of this chapter.

(c) "River" means the water, bed, and shoreline of rivers, streams, channels, lakes, bays, estuaries, marshes, wetlands, and lagoons, up to the first line of permanently established riparian vegetation.

(d) "Free-flowing" means existing or flowing without artificial impoundment, diversion, or other modification of the river. The presence of low dams, diversion works, and other minor structures does not automatically bar a river's inclusion within the system. However, this subdivision does not authorize or encourage future construction of those structures on any component of the system.

(e) "System" means the California Wild and Scenic Rivers System.

(f) "Land use regulation" means the regulation by any state or local governmental entity, agency, or official of any activities that

take place other than directly on the waters of the segments of the rivers designated in Section 5093.54.

(g) "Director" means the Director of Fish and Wildlife.

(h) "Immediate environments" means the corridor of land within one-quarter mile of the segments of the rivers designated in Section 5093.54.

(i) "Special treatment areas" means, for purposes of this chapter, those areas defined as special treatment areas in Section 895.1 of Title 14 of the California Code of Regulations, as in effect on January 1, 2004, as that definition applies to wild and scenic river segments designated from time to time in Section 5093.54, and also includes areas within 200 feet of the watercourse transition line of a state-designated recreational river segment designated in Section 5093.54 that may be at risk during timber operations.

(j) "Board" means the State Board of Forestry and Fire Protection.

(k) "Extraordinary value" means a natural, cultural, or similar value that is outstanding or remarkable in a local, regional, or statewide context.

O

AMENDED IN ASSEMBLY APRIL 17, 2017

AMENDED IN ASSEMBLY MARCH 28, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL No. 968

Introduced by Assembly Member Rubio

February 16, 2017

An act to amend ~~Section 10608 of,~~ *Sections 10608, 10608.4, 10608.8, 10608.12, 10608.20, 10608.24 of, to add Sections 10608.25, 10608.46, and 10608.47 to,* and to add and repeal Section 10608.45 of, the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 968, as amended, Rubio. Urban ~~retail~~ water use: water ~~efficiency targets.~~ *efficiency.*

Existing law requires the state to achieve a 20% reduction in urban per capita water use on or before December 31, 2020, and to make incremental progress toward that state target by reducing urban per capita water use by at least 10% on or before December 31, 2015. *Existing law requires each urban retail water supplier to develop urban water use targets and an interim urban water use target, in accordance with specified requirements.*

This ~~bill would require the Department of Water Resources to submit to the Legislature by December 31, 2018, a report that states preliminary water efficiency targets for 2025 for each of the state's hydrologic regions with per capita daily water use targets based on and considering specified factors. The bill would require the department to consult with a representative task force with members designated by the department by July 1, 2018.~~ *bill would revise the definitions of "gross water use"*

and "recycled water" for these purposes. The bill would require the Department of Water Resources to reconvene its Urban Stakeholder Committee by April 1, 2018, composed as specified, and would require, by July 1, 2019, the department, in consultation with the committee, to develop certain methodologies. The bill would require the committee, by January 1, 2020, and every 5 years thereafter, to develop a report to provide information and recommendations to the department and the Legislature about new demand management measures, technologies, and approaches, and would require the department to review the committee report and include the department's recommendations and comments in a final report to the Legislature. The bill would require, by December 31, 2025, the committee, in consultation with the department and the State Water Resources Control Board, to submit a report to the Legislature recommending for potential adjustments to water efficiency targets and commercial, industrial, and institutional performance measures, as defined.

The bill would require the department, in consultation with the board, to convene a commercial, industrial, and institutional water use efficiency task force by July 1, 2018, to recommend appropriate water efficiency measures for various segments of the commercial, industrial, and institutional water use sector and would require the task force, by December 31, 2019, in consultation with the department and the board, to submit a specified report to the Legislature.

Existing law, the Urban Water Management Planning Act, requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan and to update its plan once every 5 years on or before December 31 in years ending in 5 and zero, except as specified.

This bill would require each urban retail water supplier to develop a water efficiency target, as defined, for 2025 in its 2020 urban water management plan required to be submitted by July 1, 2021, and to achieve that target. The bill would authorize an urban retail water supplier to adjust and update the water efficiency target, as appropriate, when the supplier reports its compliance in achieving the water efficiency targets and its implementation of the identified performance measures in its 2025 urban water management plan required to be submitted by July 1, 2026. The bill would require each urban retail water supplier to meet its adjusted 2025 water efficiency target by

December 31, 2025, unless the supplier makes a certain report to the department.

The bill would require the department, by July 1, 2019, to provide to urban retail water suppliers in electronic form a database of validated aerial imagery and measured irrigable area, as specified, and to conduct a statistically valid review of the accuracy of the information in the database before providing the database to an urban retail water supplier. The bill would extend the deadline for an urban retail water supplier to submit its urban water management plan if the department does not release the database by July 1, 2019, as prescribed.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 10608 of the Water Code is amended to read:

10608. The Legislature finds and declares all of the following:

(a) Water is a public resource that the California Constitution protects against waste and unreasonable use.

(b) Growing population, climate change, and the need to protect and grow California's economy while protecting and restoring our fish and wildlife habitats make it essential that the state manage its water resources as efficiently as possible.

(c) Diverse regional water supply portfolios will increase water supply reliability and reduce dependence on the Delta.

(d) Reduced water use through long-term water use efficiency and conservation provides significant energy and environmental benefits, and can help protect water quality, improve streamflows, and reduce greenhouse gas emissions.

(e) The success of state and local water use efficiency programs ~~to increase efficiency of water use~~ is best determined on the basis of measurable outcomes related to water use or efficiency.

(f) Strengthening local and regional drought resilience is essential to increasing water supply reliability and the sustainable management of the state's water resources.

(g) Improvements in technology, infrastructure, and management practices offer the potential for increasing water efficiency in California over time, providing an essential water management

tool to meet the need for water for urban, agricultural, and environmental uses.

(h) The Governor has called for implementation of the comprehensive California Water Action Plan.

(i) The factors used to formulate long-term water use efficiency targets can vary significantly from location to location based on factors including ~~weather,~~ *climate,* patterns of urban and suburban development, water supplies, and past efforts to enhance water use efficiency. Therefore, it is necessary to *plan for and* implement water use efficiency measures at the regional and local level to reflect and best meet the water supply needs of each community and achieve effective water ~~shortage contingency~~ planning and management.

(j) Per capita water use is one measure of ~~a water provider's~~ *an urban water supplier's* efforts to ~~reduce urban water use~~ *improve water use efficiency* within its service area. However, per capita water use is less useful for measuring relative water use efficiency between different water providers. Differences in ~~weather,~~ *climate,* historical patterns of urban and suburban development, and density of housing in a particular location need to be considered when assessing per capita water use as a measure of efficiency.

~~SEC. 2. Section 10608.45 is added to the Water Code, to read:~~

~~10608.45. (a) By December 31, 2018, the department shall submit to the Legislature a report that states preliminary water efficiency targets for 2025 for each of the state's hydrologic regions. The report shall include per capita daily water use targets based on, and the department shall explain in the report how it considered, factors that include, but are not limited to, all of the following:~~

~~(1) A uniform statewide standard for per capita indoor water use, based on current conditions affecting indoor water use.~~

~~(2) Outdoor water use standards that reflect the variable climates, land use densities, and age of building stock within urban retail water suppliers' service areas in each hydrologic region.~~

~~(3) The amount of reductions in water use in each hydrologic region that can be expected as a result of a normal rate of improvement in plumbing facilities and the development of new residential, commercial, and other structures that reflect state-of-the-art water efficiency methods and facilities.~~

~~(4) The regional target determination methodology used in the state's 20x2020 Water Conservation Plan (dated February 2010).~~

~~(b) In developing the report pursuant to subdivision (a), the department shall consult with a representative task force consisting of academic experts, urban retail water suppliers representing each of the state's hydrologic regions, economic development interests, business community representatives, environmental organizations, commercial water users, industrial water users, and institutional water users. The department shall designate the task force's members by July 1, 2018.~~

~~(c) (1) A report to be submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.~~

~~(2) Pursuant to Section 10231.5 of the Government Code, this section is repealed on January 1, 2023.~~

SEC. 2. Section 10608.4 of the Water Code is amended to read:

10608.4. It is the intent of the Legislature, by the enactment of this part, to do all of the following:

(a) Require all water suppliers to ~~increase the efficiency of~~ *promote the efficient* use of this essential resource.

(b) Establish a *long-term* framework ~~to meet the state targets~~ for urban water ~~conservation identified in this part and called for by the Governor.~~ *use efficiency.*

~~(c) Measure increased efficiency of urban water use on a per capita basis.~~

~~(d) Establish a method or methods for urban retail water suppliers to determine targets for achieving increased water use efficiency by the year 2020, in accordance with the Governor's goal of a 20-percent reduction.~~

~~(e)~~

(c) Establish consistent water use efficiency planning and implementation standards for urban water suppliers and agricultural water suppliers.

~~(f)~~

(d) Promote urban water ~~conservation standards that are~~ *use efficiency that is* consistent with ~~the California Urban Water Conservation Council's adopted best management practices and~~ the requirements for demand management in Section 10631.

~~(g)~~

(e) Establish standards that recognize and provide credit to water suppliers that made substantial capital investments in urban water ~~conservation~~ *use efficiency, sustainable drought resilient supplies, and emergency supplies* since the drought of the early 1990s.

~~(h)~~

(f) Recognize and account for the investment of urban retail water suppliers in providing recycled water for ~~beneficial uses.~~ *both potable and nonpotable beneficial uses, and the need for greater investment in water recycling and other sustainable drought-resilient supplies.*

(g) Recognize that water recycling is an efficient use of water and the application of recycled water in landscape irrigation is extensively regulated, which ensures its efficient use.

~~(i)~~

(h) Require implementation of specified efficient water management practices for agricultural water suppliers.

~~(j)~~

(i) Support the economic productivity of California's agricultural, commercial, and industrial sectors.

~~(k)~~

(j) Advance regional water resources management.

(k) Empower water suppliers to utilize local and regional water use efficiency measures that reflect their unique water supply and demand circumstances that best meet the needs of their individual communities.

(l) Ensure that a water supplier retains the same legal access to its water supplies as the water supplier possessed before January 1, 2018, as provided under law to enhance local and regional water supply reliability and drought resilience as well as to voluntarily contribute to water supply reliability in other regions of the state, as appropriate under law.

SEC. 3. Section 10608.8 of the Water Code is amended to read:

10608.8. (a) *(1) Nothing in this part alters existing water rights law or authorizes or enhances the authority of the board to alter any existing water rights beyond its powers to do so before January 1, 2018.*

(2) Water use efficiency measures adopted and implemented pursuant to this part or Part 2.8 (commencing with Section 10800) are water conservation measures subject to the protections provided under Section 1011.

~~(2)~~

(3) Because an urban agency is not required to meet its urban water use target until 2020 pursuant to subdivision (b) of Section 10608.24, an urban retail water supplier's failure to meet those targets shall not establish a violation of law for purposes of any state administrative or judicial proceeding prior to January 1, 2021. Nothing in this paragraph limits the use of data reported to the department or the board in litigation or an administrative proceeding. This paragraph shall become inoperative on January 1, 2021.

(4) Because an urban agency is not required to meet its urban water efficiency target until 2025 pursuant to subdivision (d) of Section 10608.25, an urban retail water supplier's failure to meet that target shall not establish a violation of law for purposes of any state administrative or judicial proceeding before January 1, 2026. Nothing in this paragraph limits the use of data reported to the department or the board in litigation or an administrative proceeding.

~~(3)~~

(5) To the extent feasible, the department and the board shall provide for the use of water conservation reports required under this part to meet the requirements of Section 1011 for water conservation reporting.

(b) This part does not limit or otherwise affect the application of Chapter 3.5 (commencing with Section 11340), Chapter 4 (commencing with Section 11370), Chapter 4.5 (commencing with Section 11400), and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(c) This part does not require a reduction in the total water used in the agricultural or urban sectors, because other factors, including, but not limited to, changes in agricultural economics or population growth may have greater effects on water use. This part does not limit the economic productivity of California's agricultural, commercial, or industrial sectors.

(d) The requirements of this part do not apply to an agricultural water supplier that is a party to the Quantification Settlement Agreement, as defined in subdivision (a) of Section 1 of Chapter 617 of the Statutes of 2002, during the period within which the Quantification Settlement Agreement remains in effect. After the expiration of the Quantification Settlement Agreement, to the

extent conservation water projects implemented as part of the Quantification Settlement Agreement remain in effect, the conserved water created as part of those projects shall be credited against the obligations of the agricultural water supplier pursuant to this part.

SEC. 4. Section 10608.12 of the Water Code is amended to read:

10608.12. Unless the context otherwise requires, the following definitions govern the construction of this part:

(a) "Agricultural water supplier" means a water supplier, either publicly or privately owned, providing water to 10,000 or more irrigated acres, excluding recycled water. "Agricultural water supplier" includes a supplier or contractor for water, regardless of the basis of right, that distributes or sells water for ultimate resale to customers. "Agricultural water supplier" does not include the department.

(b) "Base daily per capita water use" means any of the following:

(1) The urban retail water supplier's estimate of its average gross water use, reported in gallons per capita per day and calculated over a continuous 10-year period ending no earlier than December 31, 2004, and no later than December 31, 2010.

(2) For an urban retail water supplier that meets at least 10 percent of its 2008 measured retail water demand through recycled water that is delivered within the service area of an urban retail water supplier or its urban wholesale water supplier, the urban retail water supplier may extend the calculation described in paragraph (1) up to an additional five years to a maximum of a continuous 15-year period ending no earlier than December 31, 2004, and no later than December 31, 2010.

(3) For the purposes of Section 10608.22, the urban retail water supplier's estimate of its average gross water use, reported in gallons per capita per day and calculated over a continuous five-year period ending no earlier than December 31, 2007, and no later than December 31, 2010.

(c) "Baseline commercial, industrial, and institutional water use" means an urban retail water supplier's base daily per capita water use for commercial, industrial, and institutional users.

(d) "Commercial water user" means a water user that provides or distributes a product or service.

(e) "Compliance daily per capita water use" means the gross water use during the final year of the reporting period, reported in gallons per capita per day.

(f) "Disadvantaged community" means a community with an annual median household income that is less than 80 percent of the statewide annual median household income.

(g) "Gross water use" means the total volume of water, whether treated or untreated, entering the distribution system of an urban retail water supplier, *as the distribution system is defined by the urban retail water supplier,* excluding all of the following:

(1) Recycled water that is delivered within the service area of an urban retail water supplier or its urban wholesale water ~~supplier.~~ *supplier, or recycled water used to augment water supplies, including, but not limited to, recycled water used to augment a surface water reservoir or recycled water percolated or injected into a groundwater basin for the purposes of augmenting the common groundwater supply and then extracted by an urban retail water supplier.*

(2) The net volume of water that the urban retail water supplier places into long-term storage.

(3) The volume of water the urban retail water supplier conveys for use by another urban water supplier.

(4) The volume of water ~~delivered for agricultural use,~~ *the urban retail water supplier delivers for commercial or noncommercial agricultural purposes,* except as otherwise provided in subdivision (f) of Section 10608.24.

(h) "Industrial water user" means a water user that is primarily a manufacturer or processor of materials as defined by the North American Industry Classification System code sectors 31 to 33, inclusive, or an entity that is a water user primarily engaged in research and development.

(i) "Institutional water user" means a water user dedicated to public service. This type of user includes, among other users, higher education institutions, schools, courts, churches, hospitals, government facilities, and nonprofit research institutions.

(j) "Interim urban water use target" means the midpoint between the urban retail water supplier's base daily per capita water use and the urban retail water supplier's urban water use target for 2020.

(k) "Locally cost effective" means that the present value of the local benefits of implementing an agricultural efficiency water management practice is greater than or equal to the present value of the local cost of implementing that measure.

(l) "Performance measures" means best management practices that improve the efficiency of water use within the commercial, industrial, and institutional sector, including the use of new technologies and improvements in water management as identified in the report developed pursuant to subdivision (b) of Section 10608.45.

~~(l)~~

(m) "Process water" means water used for producing a product or product content or water used for research and development, including, but not limited to, continuous manufacturing processes, water used for testing and maintaining equipment used in producing a product or product content, and water used in combined heat and power facilities used in producing a product or product content. Process water does not mean incidental water uses not related to the production of a product or product content, including, but not limited to, water used for restrooms, landscaping, air conditioning, heating, kitchens, and laundry.

~~(m)~~

(n) "Recycled water" means recycled water, as defined in subdivision (n) of Section 13050, that is used to offset potable demand, ~~including~~ *including, but not limited to,* recycled water supplied for *nonpotable reuse, recycled water supplied for the uses identified and defined in Section 13561, or recycled water supplied for* direct use and indirect potable reuse, ~~that~~ *that, where applicable,* meets the following requirements, ~~where applicable:~~ *for reservoir augmentation and groundwater recharge, including recharge through spreading basins or injections:*

~~(1) For groundwater recharge, including recharge through spreading basins, water supplies that are all of the following:~~

~~(A) Metered.~~

(1) The use of the water supply is metered.

~~(B)~~

(2) Developed through planned investment by the urban water ~~supplier~~ *supplier, a water replenishment district,* or a wastewater treatment agency.

~~(C)~~

(3) Treated to a minimum tertiary level.

~~(D)~~

(4) Delivered within the service area of an urban retail water supplier or its urban wholesale water supplier that helps an urban retail water supplier meet its urban water use target.

~~(2) For reservoir augmentation, water supplies that meet the criteria of paragraph (1) and are conveyed through a distribution system constructed specifically for recycled water.~~

~~(n)~~

(o) "Regional water resources management" means sources of supply resulting from watershed-based planning for sustainable local water reliability or any of the following alternative sources of water:

(1) The capture and reuse of stormwater or rainwater.

(2) The use of recycled water.

(3) The desalination of brackish groundwater.

(4) The conjunctive use of surface water and groundwater in a manner that is consistent with the safe yield of the groundwater basin.

~~(o)~~

(p) "Reporting period" means the years for which an urban retail water supplier reports compliance with the urban water use targets.

~~(p)~~

(q) "Urban retail water supplier" means a water supplier, either publicly or privately owned, that directly provides potable municipal water to more than 3,000 end users or that supplies more than 3,000 acre-feet of potable water annually at retail for municipal purposes.

~~(q)~~

(r) "Urban water use target" means the urban retail water supplier's targeted future daily per capita water use.

~~(r)~~

(s) "Urban wholesale water supplier," means a water supplier, either publicly or privately owned, that provides more than 3,000 acre-feet of water annually at wholesale for potable municipal purposes.

(t) "Water efficiency target" means the target established by an urban retail water supplier pursuant to Section 10608.25.

(u) "Water loss" means the difference between the potable distribution system input volume and authorized consumption as

consistent with the American Water Works Association's third edition of Water Audits and Loss Control Programs, Manual M36 and subsequent editions in accordance with Section 10608.34.

SEC. 5. Section 10608.20 of the Water Code is amended to read:

10608.20. (a) (1) Each urban retail water supplier shall develop urban water use targets and an interim urban water use target by July 1, 2011. Urban retail water suppliers may elect to determine and report progress toward achieving these targets on an individual or regional basis, as provided in subdivision (a) of Section 10608.28, and may determine the targets on a fiscal year or calendar year basis.

(2) It is the intent of the Legislature that the urban water use targets described in paragraph (1) cumulatively result in a 20-percent reduction from the baseline daily per capita water use by December 31, 2020.

(b) An urban retail water supplier shall adopt one of the following methods for determining its *2020* urban water use target pursuant to subdivision (a):

(1) Eighty percent of the urban retail water supplier's ~~baseline~~ *base* per capita daily water use.

(2) The per capita daily water use that is estimated using the sum of the following performance standards:

(A) For indoor residential water use, 55 gallons per capita daily water use as a provisional standard. Upon completion of the department's 2016 report to the Legislature pursuant to Section 10608.42, this standard may be adjusted by the Legislature by statute.

(B) For landscape irrigated through dedicated or residential meters or connections, water efficiency equivalent to the standards of the Model Water Efficient Landscape Ordinance set forth in Chapter 2.7 (commencing with Section 490) of Division 2 of Title 23 of the California Code of Regulations, as in effect the later of the year of the landscape's installation or 1992. An urban retail water supplier using the approach specified in this subparagraph shall use satellite imagery, site visits, or other best available technology to develop an accurate estimate of landscaped areas.

(C) For commercial, industrial, and institutional uses, a 10-percent reduction in water use from the baseline commercial, industrial, and institutional water use by 2020.

(3) Ninety-five percent of the applicable state hydrologic region target, as set forth in the state's draft 20x2020 Water Conservation Plan (dated April 30, 2009). If the service area of an urban water supplier includes more than one hydrologic region, the supplier shall apportion its service area to each region based on population or area.

(4) A method that shall be identified and developed by the department, through a public process, and reported to the Legislature no later than December 31, 2010. The method developed by the department shall identify per capita targets that cumulatively result in a statewide 20-percent reduction in urban daily per capita water use by December 31, 2020. In developing urban daily per capita *2020* water use targets, the department shall do all of the following:

(A) Consider climatic differences within the state.

(B) Consider population density differences within the state.

(C) Provide flexibility to communities and regions in meeting the targets.

(D) Consider different levels of per capita water use according to plant water needs in different regions.

(E) Consider different levels of commercial, industrial, and institutional water use in different regions of the state.

(F) Avoid placing an undue hardship on communities that have implemented conservation measures or taken actions to keep per capita water use low.

(c) If the department adopts a regulation pursuant to paragraph (4) of subdivision (b) that results in a requirement that an urban retail water supplier achieve a reduction in daily per capita water use that is greater than 20 percent by December 31, 2020, an urban retail water supplier that adopted the method described in paragraph (4) of subdivision (b) may limit its urban water use target to a reduction of not more than 20 percent by December 31, 2020, by adopting the method described in paragraph (1) of subdivision (b).

(d) The department shall update the method described in paragraph (4) of subdivision (b) and report to the Legislature by December 31, 2014. An urban retail water supplier that adopted the method described in paragraph (4) of subdivision (b) may adopt a new urban daily per capita water use target pursuant to this updated method.

(e) An urban retail water supplier shall include in its urban water management plan due in 2010 pursuant to Part 2.6 (commencing with Section 10610) the baseline daily per capita water use, urban water use target, interim urban water use target, and compliance daily per capita water use, along with the bases for determining those estimates, including references to supporting data.

(f) When calculating per capita values for the purposes of this chapter, an urban retail water supplier shall determine population using *a combination of* federal, state, and local population reports and projections.

(g) An urban retail water supplier may update its 2020 urban water use target in its 2015 urban water management plan required pursuant to Part 2.6 (commencing with Section 10610).

(h) (1) The department, through a public process and in consultation with the California Urban Water Conservation Council, shall develop technical methodologies and criteria for the consistent implementation of this part, including, but not limited to, both of the following:

(A) Methodologies for calculating base daily per capita water use, baseline commercial, industrial, and institutional water use, compliance daily per capita water use, gross water use, service area population, indoor residential water use, and landscaped area water use.

(B) Criteria for adjustments pursuant to subdivisions (d) and (e) of Section 10608.24.

(2) The department shall post the methodologies and criteria developed pursuant to this subdivision on its Internet Web site, and make written copies available, by October 1, 2010. An urban retail water supplier shall use the methods developed by the department in compliance with this part.

(i) (1) The department shall adopt regulations for implementation of the provisions relating to process water in accordance with subdivision (*l*) of Section 10608.12, subdivision (e) of Section 10608.24, and subdivision (d) of Section 10608.26.

(2) The initial adoption of a regulation authorized by this subdivision is deemed to address an emergency, for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the department is hereby exempted for that purpose from the requirements of subdivision (b) of Section 11346.1 of the Government Code. After the initial adoption of an emergency

regulation pursuant to this subdivision, the department shall not request approval from the Office of Administrative Law to readopt the regulation as an emergency regulation pursuant to Section 11346.1 of the Government Code.

(j) (1) An urban retail water supplier is granted an extension to July 1, 2011, for adoption of an urban water management plan pursuant to Part 2.6 (commencing with Section 10610) due in 2010 to allow the use of technical methodologies developed by the department pursuant to paragraph (4) of subdivision (b) and subdivision (h). An urban retail water supplier that adopts an urban water management plan due in 2010 that does not use the methodologies developed by the department pursuant to subdivision (h) shall amend the plan by July 1, 2011, to comply with this part.

(2) An urban wholesale water supplier whose urban water management plan prepared pursuant to Part 2.6 (commencing with Section 10610) was due and not submitted in 2010 is granted an extension to July 1, 2011, to permit coordination between an urban wholesale water supplier and urban retail water suppliers.

SEC. 6. Section 10608.24 of the Water Code is amended to read:

10608.24. (a) Each urban retail water supplier shall meet its interim urban water use target by December 31, 2015.

(b) Each urban retail water supplier shall meet its *2020* urban water use target by December 31, 2020.

(c) An urban retail water supplier's compliance daily per capita water use shall be the measure of progress toward achievement of its *2020* urban water use target.

(d) (1) When determining compliance daily per capita water use, an urban retail water supplier may consider the following factors:

(A) Differences in evapotranspiration and rainfall in the baseline period compared to the compliance reporting period.

(B) Substantial changes to commercial or industrial water use resulting from increased business output and economic development that have occurred during the reporting period.

(C) Substantial changes to institutional water use resulting from fire suppression services or other extraordinary events, or from new or expanded operations, that have occurred during the reporting period.

(2) If the urban retail water supplier elects to adjust its estimate of compliance daily per capita water use due to one or more of the factors described in paragraph (1), it shall provide the basis for, and data supporting, the adjustment in the report required by Section 10608.40.

(e) When developing the *2020* urban water use target pursuant to Section 10608.20, an urban retail water supplier that has a substantial percentage of industrial water use in its service area may exclude process water from the calculation of gross water use to avoid a disproportionate burden on another customer sector.

(f) (1) An urban retail water supplier that includes agricultural water use in an urban water management plan pursuant to Part 2.6 (commencing with Section 10610) may include the agricultural water use in determining gross water use. An urban retail water supplier that includes agricultural water use in determining gross water use and develops its urban water use target pursuant to paragraph (2) of subdivision (b) of Section 10608.20 shall use a water efficient standard for agricultural irrigation of 100 percent of reference evapotranspiration multiplied by the crop coefficient for irrigated acres.

(2) An urban retail water supplier, that is also an agricultural water supplier, is not subject to the requirements of Chapter 4 (commencing with Section 10608.48), if the agricultural water use is incorporated into its urban water use target pursuant to paragraph (1).

SEC. 7. Section 10608.25 is added to the Water Code, to read:

10608.25. (a) After December 31, 2020, an urban retail water supplier shall achieve a water efficiency target as provided for in this section.

(b) Each urban retail water supplier shall develop a water efficiency target for 2025 in its 2020 urban water management plan required to be submitted by July 1, 2021, pursuant to Section 10621. An urban retail water supplier may determine the water efficiency target on a fiscal year or calendar year basis. An urban retail water supplier may adjust and update the water efficiency target, as appropriate, based upon population growth, changes in irrigable landscape acreage, and other changes that affect water use when the supplier reports its compliance in achieving the water efficiency targets and its implementation of the identified performance measures in its 2025 urban water management plan

required to be submitted by July 1, 2026, pursuant to Section 10621.

(c) An urban retail water supplier shall adopt one of the following methods for determining its water efficiency target pursuant to subdivision (b):

(1) Seventy-five percent of the urban retail water supplier's base daily per capita water use calculated using the methodology developed by the department pursuant to Section 10608.20.

(2) (A) Establishment of a retail-level water efficiency target that is the sum of the following:

(i) The residential population multiplied by 55 gallons of water use per person per day.

(ii) For irrigable landscape served by a residential or dedicated irrigation meter, an estimate of total irrigation demands within the supplier's service area, based on the following factors:

(I) Evapotranspiration adjustment factor of 1.0 for parcels developed before 1992 and for special landscape areas.

(II) Evapotranspiration adjustment factor of 0.8 for parcels developed between January 1, 1992, and December 31, 2009.

(III) Evapotranspiration adjustment factor of 0.7 for parcels developed between January 1, 2010, and December 31, 2015.

(IV) Evapotranspiration adjustment factor of 0.55 for residential parcels developed after January 1, 2016.

(V) evapotranspiration adjustment factor of 0.45 for commercial parcels developed after January 1, 2016.

(VI) Parcels in commercial or noncommercial agricultural use may be included by the urban retail water supplier, at its sole discretion, using an evapotranspiration factor of 1.0 in the calculation of the water use efficiency target or in the calculation for compliance of the target.

(iii) A volume of water to account for the variances taken by the water supplier due to unique situations within the water supplier's service area and developed pursuant to subdivision (f).

(B) An urban retail water supplier that adopts the method described in subparagraph (A) for determining its water efficiency target shall identify proposed performance measures, as appropriate, for efficient water use by its commercial, industrial, and institutional customers consistent with the recommendations identified in the report required pursuant to subdivision (b) of

Section 10608.45 in the water supplier's 2020 urban water management plan.

(3) Ninety percent of the applicable hydrologic region target, as set forth in the state's 20x2020 Water Conservation Plan, dated February 2010. If the service area of an urban retail water supplier includes more than one hydrologic region, the supplier shall apportion its service area to each region based on population or area.

(d) Each urban retail water supplier shall meet its adjusted 2025 water efficiency targets by December 31, 2025, unless the supplier reports to the department that economic or hydrologic conditions beyond the water supplier's control rendered it impossible for the water supplier to do so. An urban retail water supplier may elect to determine and report progress toward achieving its 2025 water efficiency target on an individual or regional basis, as provided in subdivision (a) of Section 10608.28. An urban retail water supplier shall report on its compliance with this section in its 2025 urban water management plan required to be submitted by July 1, 2026, pursuant to Section 10621.

(e) An urban retail water supplier shall base its adjusted water efficiency target and compliance with that adjusted target on the best available information concerning population, irrigable landscape acreage, and other factors that affect water use within its service area. An urban retail water supplier shall calculate its compliance with subdivision (d) based on the method by which it set its water efficiency target, as follows:

(1) An urban retail water supplier with a water efficiency target determined pursuant to paragraph (1) of subdivision (c) shall calculate its compliance with subdivision (d) by comparing the adjusted water efficiency target with the urban retail water supplier's compliance daily per capita water use.

(2) An urban retail water supplier with a water efficiency target determined pursuant to paragraph (2) of subdivision (c) shall calculate its compliance with subdivision (d) by comparing the water efficiency target with the total volume of gross water use measured through residential and dedicated irrigation meters during the final year of the reporting period. The urban retail water supplier shall include in its report on compliance with subdivision (d) a report on the urban retail water supplier's implementation of the performance measures for efficiency

commercial, industrial, and institutional water use identified in its urban water management plan. If an urban retail water supplier includes parcels in agricultural use in its water efficiency target, the urban retail water supplier shall include water use for those parcels in its compliance calculation.

(3) An urban retail water supplier with a water efficiency target determined pursuant to paragraph (3) of subdivision (c) shall calculate its compliance with subdivision (d) by comparing the adjusted water efficiency target with the urban retail water supplier's compliance daily per capita water use.

(4) Water use or loss caused by conditions of disaster or extreme peril to the safety of persons and property, including, but not limited to, conditions, whether natural or human caused, of fire, flood, storm, drought, epidemic, riot, earthquake, or other condition, shall be excluded from the calculation of compliance with the water efficiency target.

(5) The deadline for an urban retail water supplier to submit its plan pursuant to subdivision (e) of Section 10621 shall be extended if the department does not release the final database pursuant to Section 10608.47 on or before July 1, 2019. The extension shall equal the length of time between July 1, 2019 and the date of the department's release of the final database.

(6) Each urban retail water supplier shall have the discretion to achieve its water efficiency target under this section and to design and utilize any rate structure in any manner consistent with that supplier's legal authority.

(7) Each urban retail water supplier shall have the discretion to measure progress toward achieving its water efficiency target under this section by considering the factors described in subdivisions (d) to (f), inclusive, of Section 10608.24.

(8) Notwithstanding the method used by an urban retail water supplier to calculate compliance with subdivision (c), each urban retail water supplier shall address water loss within its service area pursuant to Section 10608.34.

(f) The department, in consultation with the Urban Stakeholder Committee, shall develop all of the following and any other factors as may be identified by the committee:

(1) Standardized variance methodologies for all of the following:

(A) Livestock.

(B) Swamp coolers.

(C) Significant transient population increases.

(D) Construction water for soil compaction and dust control.

(E) Potable water use to supplement ponds and lakes to sustain wildlife.

(F) Vegetation irrigated for fire protection.

(G) Landscapes irrigated with recycled water having high levels of total dissolved solids.

(H) Other water quality concerns.

(2) A methodology to calculate the irrigable area associated with special landscape areas by aerial imagery or date of parcel establishment so that an urban retail water supplier may develop appropriate water efficiency targets as described in paragraph (2) of subdivision (c).

(3) A process for the submission of supporting documentation for other variances that shall be included into the calculation of the urban retail water supplier's water efficiency target as described in paragraph (2) of subdivision (c).

(g) For purposes of this section, "special landscape area" means an area of the landscape dedicated solely to edible plants, recreational areas, areas irrigated with recycled water, or water features using recycled water designed within and having the same evapotranspiration adjustment factor as contained in the model water efficient landscape ordinance set forth in Chapter 2.7 (commencing with Section 490) of Division 2 of Title 23 of the California Code of Regulations, adopted on September 15, 2015.

SEC. 8. Section 10608.45 is added to the Water Code, to read:

10608.45. (a) By July 1, 2018, the department, in consultation with the board, shall convene a commercial, industrial, and institutional water use efficiency task force to recommend appropriate water efficiency measures for various segments of the commercial, industrial, and institutional water use sector. The task force shall consist of all of the following:

(1) Urban retail water suppliers, including a broad spectrum of commercial, industrial, and institutional customers throughout the state and the representation of combined retail water and wastewater agencies.

(2) Urban wholesale water suppliers.

(3) Academic experts.

(4) Economic development interests.

(5) Business community representatives.

(6) Environmental organizations.

(7) Commercial water users.

(8) Industrial water users.

(9) Institutional water users.

(b) By December 31, 2019, the task force, in consultation with the department and the board, shall submit a report to the Legislature that shall include, but is not limited to, all of the following:

(1) Recommendations of appropriate performance measures for commercial, industrial, or institutional water use that shall rely, to the extent appropriate, on the 2013 report to the Legislature by the CII Task Force entitled "Water Use Best Management Practices" and support the economic productivity of California's commercial, industrial, and institutional sectors.

(2) Appropriate commercial, industrial, and institutional classifications that address significant uses of water and are consistent with the classifications and standards developed by the North American Industry Classification System published by the United States Office of Management and Budget.

(3) Recommendations for appropriate thresholds by which urban water suppliers could require commercial, industrial, and institutional water users to participate in audits and the development of water management plans.

(4) An evaluation of feasability criteria and cost-effectiveness of separating mixed-use meters and equivalent technologies and recommendations on when separating mixed-use meters should not be required.

(c) Using available funds, the department shall provide technical and financial assistance to the task force to enable the completion of the report within the required time frame and to assist water suppliers and water users to comply with any new requirements resulting from implementation of the report recommendations.

(d) (1) A report to be submitted pursuant to subdivision (b) shall be submitted in compliance with Section 9795 of the Government Code.

(2) Pursuant to Section 10231.5 of the Government Code, this section is repealed on January 1, 2024.

SEC. 9. Section 10608.46 is added to the Water Code, to read:

10608.46. (a) The department shall reconvene its Urban Stakeholder Committee by April 1, 2018. The committee shall

consist of a mix of small, medium, and large urban retail water suppliers from throughout the state, including at least one representative from each hydrologic region. The committee shall also include academic experts, urban wholesale water suppliers, business organizations, as well as representation of combined retail water and wastewater agencies.

(b) By July 1, 2019, the department shall consult with the committee to develop the methodologies required by subdivision (f) of Section 10608.25.

(c) By January 1, 2020, and every five years thereafter, the committee shall develop a report to provide information and recommendations to the department and the Legislature about new demand management measures, technologies, and approaches. The department shall review the committee report and include in the final report to the Legislature the department's recommendations and comments regarding the committee process and the committee's recommendations.

(d) By December 31, 2025, the committee, in consultation with the department and the board, shall submit a report to the Legislature recommending for potential adjustments to water efficiency targets and commercial, industrial, and institutional performance measures, consistent with the report provided to the Legislature pursuant to subdivision (b) of Section 10608.45, for implementation no sooner than 2030. If the committee recommends a change in the water efficiency targets or performance measures, the report shall do both of the following:

(1) State the technical changes or scientific basis that justifies a change in the targets or performance measures.

(2) Evaluate potential unintended consequences created by the proposed changes that could negatively impact California's economy, wastewater infrastructure, or local investments in water infrastructure and supplies, including specific impacts to the amount of recycled water or desalinated water available within the state.

(e) Using available funds, the department shall provide technical and financial assistance to the committee to enable the completion of the reports pursuant to this section within the required time frame and assist water suppliers to comply with any new requirements resulting from implementation of the report recommendations.

(f) Nothing in this section authorizes any state agency to establish, change, or otherwise modify the water efficiency targets and commercial, industrial, and institutional performance measures established under this chapter.

(g) A report to be submitted pursuant to subdivision (c) or (d) shall be submitted in compliance with Section 9795 of the Government Code.

SEC. 10. Section 10608.47 is added to the Water Code, to read:

10608.47. (a) By July 1, 2019, the department shall provide to urban retail water suppliers, in electronic form, a database of validated aerial imagery and measured irrigable area for all residential, commercial, industrial, and institutional areas within each water supplier's service area. The database shall correlate the relevant irrigable areas with assessor parcels within each water supplier's service area and shall state the year of parcel development. The database shall contain downloadable reference evapotranspiration data with representative climate zones for all urban retail water suppliers. The database's aerial imagery data shall be suitable for determining the appropriate amount of irrigation for a variety of vegetation, including, but not limited to, large trees and irrigable area under native tree canopy. The department shall update the database by December 31, 2025, and every five years thereafter.

(b) To the extent consistent with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), the department and all urban retail water suppliers shall maintain the confidentiality of the information in the department's database.

(c) Before providing the database to urban retail water suppliers, the department shall conduct a statistically valid review of the accuracy of the information in the database. In conducting this review, the department shall consult with a representative sample of urban retail water suppliers representing each of the state's hydrologic regions.

(d) An urban retail water supplier may use its own database of validated aerial imagery, measured irrigable area, and date of parcel development for properties within its service areas for purposes of paragraph (2) of subdivision (c) of Section 10608.25, if the water supplier certifies that its database is of comparable

or better quality than the relevant information included in the department's database.

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AMENDED IN ASSEMBLY APRIL 18, 2017

AMENDED IN ASSEMBLY MARCH 22, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL No. 1669

Introduced by Assembly Member Friedman
(Coauthor: Senator Allen)

February 17, 2017

~~An act to add Section 10608.18 to the Water Code, relating to water.~~ *An act to amend Sections 377, 1058.5, 1120, 1831, and 10608.20 of, and to add Chapter 9 (commencing with Section 10609) to Part 2.55 of Division 6 of, the Water Code, relating to water.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1669, as amended, Friedman. ~~Urban water use efficiency.~~ *Urban water conservation standards and use reporting.*

(1) Existing law requires the state to achieve a 20% reduction in urban per capita water use in California by December 31, 2020. Existing law requires each urban retail water supplier to develop urban water use targets and an interim urban water use target, as specified.

This bill would require the State Water Resources Control Board, in consultation with the Department of Water Resources, to adopt long-term standards for urban water conservation and water use by May 20, 2021. The bill would authorize the board, in consultation with the department, to adopt interim standards for urban water conservation and water use by emergency regulation. The bill would require the board, before adopting an emergency regulation, to provide at least 60 days for the public to review and comment on the proposed regulation and would require the board to hold a public hearing. The bill would

authorize a court or public entity to hold a person civilly liable in an amount not to exceed $10,000 for a violation of a regulation adopted under these provisions, unless the regulation provides otherwise.

The bill would also authorize the board to issue a regulation or informational order requiring a distributor of a public water supply to submit information relating to water production, water use, or water conservation.

(2) Existing law establishes procedures for reconsideration and amendment of specified decisions and orders of the board. Existing law authorizes any party aggrieved by a specified decision or order of the board to file, not later than 30 days from the date of final board action, a petition for writ of mandate for judicial review of the decision or order.

This bill would apply these procedures to decisions and orders of the board issued pursuant to the provisions described in paragraph (1), including existing provisions and those added by this bill.

(3) Existing law authorizes the board to issue a cease and desist order in response to a violation or threatened violation of certain requirements, including specified emergency regulations adopted by the board. Under existing law, a person who violates a cease and desist order of the board may be liable for each day in which the violation occurs, as specified. Revenue generated from these penalties is deposited in the Water Rights Fund. The moneys in the Water Rights Fund are available, upon appropriation by the Legislature, for, among other things, the administration of the board's water rights program.

This bill would authorize the board to issue a cease and desist order in response to a violation or threatened violation of any regulation adopted by the board.

~~Existing law requires the state to achieve a 20% reduction in urban per capita water use on or before December 31, 2020, and to make incremental progress toward that state target by reducing urban per capita water use by at least 10% on or before December 31, 2015.~~

~~This bill, on or before January 1, 2019, would require the State Water Resources Control Board, in consultation with the Department of Water Resources and other appropriate state agencies, to establish and adopt a process to increase urban water use efficiency through incremental urban water use efficiency standards and in that regard to establish an urban water use efficiency standard to be achieved by urban water suppliers by January 1, 2025. The bill would require the state board to~~

~~review and consider updates to the urban water use efficiency standard every 5 years.~~

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 377 of the Water Code is amended to read:

377. (a) From and after the publication or posting of any ordinance or resolution pursuant to Section 376, a violation of a requirement of a water conservation program adopted pursuant to Section 376 is a misdemeanor. A person convicted under this subdivision shall be punished by imprisonment in the county jail for not more than 30 days, or by a fine not exceeding one thousand dollars ($1,000), or by both.

(b) A court or public entity may hold a person civilly liable in an amount not to exceed ten thousand dollars ($10,000) for a violation of any of the following:

(1) An ordinance or resolution adopted pursuant to Section 376.

(2) ~~An emergency~~ *A* regulation adopted by the board under Section ~~1058.5,~~ *1058.5 or Chapter 9 (commencing with Section 10609) of Part 2.55 of Division 6,* unless the board regulation provides that it cannot be enforced under this ~~section.~~ *section or provides for a lesser applicable penalty.*

(c) Commencing on the 31st day after the public entity notified a person of a violation described in subdivision (b), the person additionally may be civilly liable in an amount not to exceed ten thousand dollars ($10,000) plus five hundred dollars ($500) for each additional day on which the violation continues.

(d) Remedies prescribed in this section are cumulative and not alternative, except that no liability shall be recoverable under this section for any violation of paragraph (2) of subdivision (b) if the board has filed a complaint pursuant to Section 1846 alleging the same violation.

(e) A public entity may administratively impose the civil liability described in subdivisions (b) and (c) after providing notice and an opportunity for a hearing. The public entity shall initiate a proceeding under this subdivision by a complaint issued pursuant to Section 377.5. The public entity shall issue the complaint at

least 30 days before the hearing on the complaint and the complaint shall state the basis for the proposed civil liability order.

(f) (1) In determining the amount of civil liability to assess, a court or public entity shall take into consideration all relevant circumstances, including, but not limited to, the nature and persistence of the violation, the extent of the harm caused by the violation, the length of time over which the violation occurs, and any corrective action taken by the violator.

(2) The civil liability calculated pursuant to paragraph (1) for the first violation of subdivision (b) by a residential water user shall not exceed one thousand dollars ($1,000) except in extraordinary situations where the court or public entity finds all of the following:

(A) The residential user had actual notice of the requirement found to be violated.

(B) The conduct was intentional.

(C) The amount of water involved was substantial.

(g) Civil liability imposed pursuant to this section shall be paid to the public entity and expended solely for the purposes of this chapter.

(h) An order setting administrative civil liability shall become effective and final upon issuance of the order and payment shall be made. Judicial review of any final order shall be pursuant to Section 1094.5 of the Code of Civil Procedure.

(i) In addition to the remedies prescribed in this section, a public entity may enforce water use limitations established by an ordinance or resolution adopted pursuant to this chapter, or as otherwise authorized by law, by a volumetric penalty in an amount established by the public entity.

SEC. 2. Section 1058.5 of the Water Code is amended to read:

1058.5. (a) This section applies to any emergency regulation adopted by the board for which the board makes both of the following findings:

(1) The emergency regulation is adopted to prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation, to require curtailment of diversions when water is not available under the diverter's priority of right, or in furtherance of any of the foregoing, to require reporting of diversion or use or the preparation of monitoring reports.

(2) The emergency regulation is adopted in response to conditions which exist, or are threatened, in a critically dry year immediately preceded by two or more consecutive below normal, dry, or critically dry years or during a period for which the Governor has issued a proclamation of a state of emergency under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) based on drought conditions.

(b) Notwithstanding Sections 11346.1 and 11349.6 of the Government Code, any findings of emergency adopted by the board, in connection with the adoption of an emergency regulation under this section, are not subject to review by the Office of Administrative Law.

(c) An emergency regulation adopted by the board under this section may remain in effect for up to ~~270 days,~~ *one year,* as determined by the board, and is deemed repealed immediately upon a finding by the board that due to changed conditions it is no longer necessary for the regulation to remain in effect. An emergency regulation adopted by the board under this section may be renewed if the board determines that the conditions specified in paragraph (2) of subdivision (a) are still in effect.

(d) In addition to any other applicable civil or criminal penalties, any person or entity who violates a regulation adopted by the board pursuant to this section is guilty of an infraction punishable by a fine of up to five hundred dollars ($500) for each day in which the violation occurs.

(e) (1) Notwithstanding subdivision (b) of Section 1551 or subdivision (e) of Section 1848, a civil liability imposed under Chapter 12 (commencing with Section 1825) of Part 2 of Division 2 by the board or a court for a violation of an emergency conservation regulation adopted pursuant to this section shall be deposited, and separately accounted for, in the Water Rights Fund. Funds deposited in accordance with this subdivision shall be available, upon appropriation, for water conservation activities and programs.

(2) For purposes of this subdivision, an “emergency conservation regulation” means an emergency regulation that requires an end user of water, a water retailer, or a water wholesaler to conserve water or report to the board on water conservation. Water conservation includes restrictions or limitations on particular uses

of water or a reduction in the amount of water used or served, but does not include curtailment of diversions when water is not available under the diverter's priority of right or reporting requirements related to curtailments.

SEC. 3. Section 1120 of the Water Code is amended to read:

1120. This chapter applies to any decision or order issued under this part or Section 275, Part 2 (commencing with Section 1200), Part 2 (commencing with Section 10500) of Division 6, *Part 2.55 (commencing with Section 10608) of Division 6, or* Chapter 11 (commencing with Section 10735) of Part 2.74 of Division 6, Article 7 (commencing with Section 13550) of Chapter 7 of Division 7, or the public trust doctrine.

SEC. 4. Section 1831 of the Water Code is amended to read:

1831. (a) When the board determines that any person is violating, or threatening to violate, any requirement described in subdivision (d), the board may issue an order to that person to cease and desist from that violation.

(b) The cease and desist order shall require that person to comply forthwith or in accordance with a time schedule set by the board.

(c) The board may issue a cease and desist order only after notice and an opportunity for hearing pursuant to Section 1834.

(d) The board may issue a cease and desist order in response to a violation or threatened violation of any of the following:

(1) The prohibition set forth in Section 1052 against the unauthorized diversion or use of water subject to this division.

(2) Any term or condition of a permit, license, certification, or registration issued under this division.

(3) Any decision or order of the board issued under this part, Section 275, Chapter *9 (commencing with Section 10609) of Part 2.55 of Division 6, or Chapter* 11 (commencing with Section 10735) of Part 2.74 of Division 6, or Article 7 (commencing with Section 13550) of Chapter 7 of Division 7, in which decision or order the person to whom the cease and desist order will be issued, or a predecessor in interest to that person, was named as a party directly affected by the decision or order.

(4) A regulation adopted ~~under Section 1058.5.~~ *by the board.*

(5) Any extraction restriction, limitation, order, or regulation adopted or issued under Chapter 11 (commencing with Section 10735) of Part 2.74 of Division 6.

(6) Any diversion or use of water for cannabis cultivation if any of the following applies:

(A) A license is required, but has not been obtained, under Article 6 (commencing with Section 19331) of Chapter 3.5 of Division 8 of the Business and Professions Code.

(B) The diversion is not in compliance with an applicable limitation or requirement established by the board or the Department of Fish and Wildlife under Section 13149.

(C) The diversion or use is not in compliance with a requirement imposed under subdivision (d) or (e) of Section 19332.2 of the Business and Professions Code.

(e) This article does not alter the regulatory authority of the board under other provisions of law.

SEC. 5. Section 10608.20 of the Water Code is amended to read:

10608.20. (a) (1) Each urban retail water supplier shall develop urban water use targets and an interim urban water use target by July 1, 2011. Urban retail water suppliers may elect to determine and report progress toward achieving these targets on an individual or regional basis, as provided in subdivision (a) of Section 10608.28, and may determine the targets on a fiscal year or calendar year basis.

(2) It is the intent of the Legislature that the urban water use targets described in paragraph (1) cumulatively result in a 20-percent reduction from the baseline daily per capita water use by December 31, 2020.

(b) An urban retail water supplier shall adopt one of the following methods for determining its urban water use target pursuant to subdivision (a):

(1) Eighty percent of the urban retail water supplier's baseline per capita daily water use.

(2) The per capita daily water use that is estimated using the sum of the following performance standards:

(A) For indoor residential water use, 55 gallons per capita daily water use as a provisional standard. Upon completion of the department's 2016 report to the Legislature pursuant to Section 10608.42, this standard may be adjusted by the Legislature by statute.

(B) For landscape irrigated through dedicated or residential meters or connections, water efficiency equivalent to the standards

of the Model Water Efficient Landscape Ordinance set forth in Chapter 2.7 (commencing with Section 490) of Division 2 of Title 23 of the California Code of Regulations, as in effect the later of the year of the landscape's installation or 1992. An urban retail water supplier using the approach specified in this subparagraph shall use satellite imagery, site visits, or other best available technology to develop an accurate estimate of landscaped areas.

(C) For commercial, industrial, and institutional uses, a 10-percent reduction in water use from the baseline commercial, industrial, and institutional water use by 2020.

(3) Ninety-five percent of the applicable state hydrologic region target, as set forth in the state's draft 20x2020 Water Conservation Plan (dated April 30, 2009). If the service area of an urban water supplier includes more than one hydrologic region, the supplier shall apportion its service area to each region based on population or area.

(4) A method that shall be identified and developed by the department, through a public process, and reported to the Legislature no later than December 31, 2010. The method developed by the department shall identify per capita targets that cumulatively result in a statewide 20-percent reduction in urban daily per capita water use by December 31, 2020. In developing urban daily per capita water use targets, the department shall do all of the following:

(A) Consider climatic differences within the state.

(B) Consider population density differences within the state.

(C) Provide flexibility to communities and regions in meeting the targets.

(D) Consider different levels of per capita water use according to plant water needs in different regions.

(E) Consider different levels of commercial, industrial, and institutional water use in different regions of the state.

(F) Avoid placing an undue hardship on communities that have implemented conservation measures or taken actions to keep per capita water use low.

(c) If the department adopts a regulation pursuant to paragraph (4) of subdivision (b) that results in a requirement that an urban retail water supplier achieve a reduction in daily per capita water use that is greater than 20 percent by December 31, 2020, an urban retail water supplier that adopted the method described in paragraph

(4) of subdivision (b) may limit its urban water use target to a reduction of not more than 20 percent by December 31, 2020, by adopting the method described in paragraph (1) of subdivision (b).

(d) The department shall update the method described in paragraph (4) of subdivision (b) and report to the Legislature by December 31, 2014. An urban retail water supplier that adopted the method described in paragraph (4) of subdivision (b) may adopt a new urban daily per capita water use target pursuant to this updated method.

(e) An urban retail water supplier shall include in its urban water management plan due in 2010 pursuant to Part 2.6 (commencing with Section 10610) the baseline daily per capita water use, urban water use target, interim urban water use target, and compliance daily per capita water use, along with the bases for determining those estimates, including references to supporting data.

(f) When calculating per capita values for the purposes of this chapter, an urban retail water supplier shall determine population using federal, state, and local population reports and projections.

(g) An urban retail water supplier may update its 2020 urban water use target in its 2015 urban water management plan required pursuant to Part 2.6 (commencing with Section 10610).

(h) (1) The department, through a public process and in consultation with the California Urban Water Conservation Council, shall develop technical methodologies and criteria for the consistent implementation of this part, including, but not limited to, both of the following:

(A) Methodologies for calculating base daily per capita water use, baseline commercial, industrial, and institutional water use, compliance daily per capita water use, gross water use, service area population, indoor residential water use, and landscaped area water use.

(B) Criteria for adjustments pursuant to subdivisions (d) and (e) of Section 10608.24.

(2) The department shall post the methodologies and criteria developed pursuant to this subdivision on its Internet Web site, and make written copies available, by October 1, 2010. An urban retail water supplier shall use the methods developed by the department in compliance with this part.

(i) (1) The department shall adopt regulations for implementation of the provisions relating to process water in

accordance with subdivision (*l*) of Section 10608.12, subdivision (e) of Section 10608.24, and subdivision (d) of Section 10608.26.

(2) The initial adoption of a regulation authorized by this subdivision is deemed to address an emergency, for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the department is hereby exempted for that purpose from the requirements of subdivision (b) of Section 11346.1 of the Government Code. After the initial adoption of an emergency regulation pursuant to this subdivision, the department shall not request approval from the Office of Administrative Law to readopt the regulation as an emergency regulation pursuant to Section 11346.1 of the Government Code.

(j) (1) An urban retail water supplier is granted an extension to July 1, 2011, for adoption of an urban water management plan pursuant to Part 2.6 (commencing with Section 10610) due in 2010 to allow the use of technical methodologies developed by the department pursuant to paragraph (4) of subdivision (b) and subdivision (h). An urban retail water supplier that adopts an urban water management plan due in 2010 that does not use the methodologies developed by the department pursuant to subdivision (h) shall amend the plan by July 1, 2011, to comply with this part.

(2) An urban wholesale water supplier whose urban water management plan prepared pursuant to Part 2.6 (commencing with Section 10610) was due and not submitted in 2010 is granted an extension to July 1, 2011, to permit coordination between an urban wholesale water supplier and urban retail water suppliers.

(k) Nothing in this part limits the authority of the board to adopt standards for water conservation that are in addition to, or exceed, the standards provided under this part.

SEC. 6. Chapter 9 (commencing with Section 10609) is added to Part 2.55 of Division 6 of the Water Code, to read:

Chapter 9. Urban Water Conservation Standards and Use Reporting

10609. (a) The board, in consultation with the department, shall adopt long-term standards for urban water conservation and water use by May 20, 2021. The standards shall include, but are not limited to, standards for all of the following:

(1) Indoor residential water use.

(2) Outdoor irrigation in connection with domestic, industrial, institutional, or commercial water use.

(3) Industrial, institutional, and commercial water use.

(b) The board, in consultation with the department, may adopt interim standards for urban water conservation and water use pending the adoption of long-term standards pursuant to subdivision (a). The board, in consultation with the department, may update the interim standards as it determines to be reasonably necessary for purposes of this section, except that the board may not set new or revised standards under this subdivision after the board adopts long-term standards pursuant to subdivision (a) or May 20, 2021, whichever occurs first.

(c) (1) Long-term standards, and any amendments to those standards, adopted by the board pursuant to subdivision (a) shall be adopted in accordance with the regular rulemaking process provided for in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(2) (A) Except for long-term standards, and any amendment to those standards, adopted pursuant to subdivision (a), regulations adopted by the board pursuant to this chapter, and any amendment or subsequent adjustment to those regulations, shall be adopted by the board as emergency regulations, in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The adoption of regulations pursuant to this paragraph shall be deemed an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health, safety, and general welfare. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, an emergency regulation adopted by the board pursuant to this paragraph shall remain in effect until revised by the board.

(B) Before adopting an emergency regulation pursuant to this paragraph, the board shall provide at least 60 days for the public to review and comment on the proposed regulation and shall hold a public hearing.

(d) Notwithstanding Section 15300.2 of Title 14 of the California Code of Regulations, an action of the board taken under this chapter shall be deemed to be a Class 8 action, within the meaning

of Section 15308 of Title 14 of the California Code of Regulations, if the action does not involve relaxation of existing water conservation or water use standards.

10609.2. The board may issue a regulation or informational order requiring a distributor of a public water supply, as that term is used in Section 350, to submit information relating to water production, water use, or water conservation.

~~SECTION 1. Section 10608.18 is added to the Water Code, to read:~~

~~10608.18. On or before January 1, 2019, the board, in consultation with the department and other appropriate state agencies, shall establish and adopt a process to increase urban water use efficiency through incremental urban water use efficiency standards and in that regard shall establish an urban water use efficiency standard to be achieved by urban water suppliers by January 1, 2025. Every five years, the board shall review and consider updates to the urban water use efficiency standard for the upcoming five years.~~

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AMENDED IN ASSEMBLY MARCH 28, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL No. 1654

Introduced by Assembly Member ~~Cooper~~ *Rubio*

February 17, 2017

An act to amend ~~Section 10608 of~~ *Sections 10621, 10631, 10632, and 10635 of, to repeal Section 10631.7 of, to add Sections 10613.5 and 10658 to, and to add Part 2.56 (commencing with Section 10609) to Division 6 of,* the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 1654, as amended, ~~Cooper~~ *Rubio*. Water ~~conservation.~~ *shortage: urban water management planning.*

(1) Existing law, the Urban Water Management Planning Act, requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan and to update its plan once every 5 years on or before December 31 in years ending in 5 and zero, except as specified.

This bill would require the update of a plan on or before July 1, in years ending in one and 6. The bill would require each urban retail water supplier to report annually by June 15 to the Department of Water Resources the status of its water supplies for that year and whether the supplies will be adequate to meet projected customer demand, as prescribed. The bill would require the urban retail water supplier to implement the appropriate responses as described in its water shortage contingency analysis if the urban retail water supplier reports that all available water supplies for the applicable water year will not be adequate to meet projected customer demand. The bill would require

the urban retail water supplier to continue to implement the mandatory demand reduction measures described in its water shortage contingency analysis until certain conditions have changed to the point that the urban retail water supplier finds that it is able to meet projected customer demand over the next 12 months without continued implementation of the measures. The bill would require an urban retail water supplier to file a certain report with the department by the 15th day of each month during a period that the urban retail water supplier is implementing mandatory demand reduction measures. The bill would require the department to establish an electronic portal through which an urban retail water supplier is required to provide these reports to the department and would require the department to provide the State Water Resources Control Board with access to the reports and data.

(2) The act requires an adopted plan to include certain components, including, among other things, an identification and quantification of the existing and planned sources of water available to the supplier over 5-year increments, a description of the reliability of the water supply and vulnerability to seasonal or climatic shortage for an average water year, single-dry water year, and multiple-dry water years, and quantification of distribution system water loss for each of the 5 years preceding the plan update.

This bill would add to the requirements of a plan a description of how an emergency supply has been established to increase water supply reliability during times of shortage and how the supply is in addition to the supplies that the agency draws upon during nonshortage times, if an emergency supply, as defined, is identified as an existing or planned source of water available to the urban retail water supplier. The bill would require a description of the reliability and vulnerability for 5 consecutive years consisting of a repeat of the 5 consecutive historic driest years experienced by the urban retail water supplier, except as provided, rather than multiple-dry water years. The bill would specify that distribution system water loss to be included in the plan is potable distribution system water loss.

(3) The act requires the department, in consultation with the California Urban Water Conservation Council, to convene an independent technical panel to provide information and recommendations to the department and the Legislature on new demand management measures, technologies, and approaches. The act requires the panel to report to the Legislature no later than January 1, 2010, and every 5 years thereafter, and requires the department to review the

report and include in the final report to the Legislature recommendations and comments. The act deems an urban water supplier that is a member of the council and in compliance with the provisions of a certain memorandum to be in compliance with certain requirements relating to including water demand management measures in a plan.

This bill would delete these provisions.

(4) The act requires that the plan provide an urban water shortage contingency analysis that includes certain elements, including an estimate of the minimum water supply available during each of the following 3 water years based on the driest 3-year historic sequence for the agency's water supply.

This bill would revise the elements included within an analysis.

(5) The California Constitution declares the policy that the water resources of the state be put to beneficial use to the fullest extent of which they are capable, 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 of the waters in the interest of the people and for the public welfare. Existing law requires the department and the board to take all appropriate proceedings or actions to prevent waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of water in this state.

This bill would prohibit an urban water supplier, during a statewide drought, local drought, or water shortage, from being required to reduce its use or reliance on any water supply available for its use and identified in its plan or from being required to take additional actions beyond those specified in its water shortage contingency analysis for the level of water shortage, as specified.

~~Existing law requires the state to achieve a 20% reduction in urban per capita water use in California by December 31, 2020. Existing law requires agricultural water suppliers to prepare and adopt agricultural water management plans with specified components on or before December 31, 2012, and to update those plans on or before December 31, 2015, and on or before December 31 every 5 years thereafter. Existing law sets forth various findings and declarations related to water conservation.~~

~~This bill would make a nonsubstantive change in those findings and declarations.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ *yes*. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Part 2.56 (commencing with Section 10609) is added to Division 6 of the Water Code, to read:

PART 2.56. URBAN WATER MANAGEMENT DEMAND REDUCTION MEASURES

10609. The following definitions govern the construction of this part:

(a) "Water shortage contingency analysis" means the component of an urban water management plan described in Section 10632.

(b) "Urban retail water supplier" has the meaning provided in Section 10608.12.

(c) "Urban water supplier" has the meaning provided in Section 10617.

(d) "Urban wholesale water supplier" has the meaning provided in Section 10608.12.

10609.5 (a) In addition to and separate from the urban water management plans required pursuant to Part 2.6 (commencing with Section 10610), by June 15 of each year an urban retail water supplier shall report to the department the status of its water supplies for that year and whether the supplies will be adequate to meet projected customer demand.

(b) (1) If an urban retail water supplier reports pursuant to subdivision (a) that all available water supplies for the applicable water year will not be adequate to meet projected customer demand, the urban retail water supplier shall implement the appropriate responses as described in its water shortage contingency analysis. If demand is projected to exceed all available supply sources and mandatory water demand reduction measures are required, the annual report shall describe the water supply shortage stage and the measures that the supplier will take to reduce water demand consistent with its water shortage contingency analysis.

(2) If an urban retail water supplier determines that it cannot meet demands with all available water suppliers and is required to implement mandatory water demand reduction measures as described in its water shortage contingency analysis pursuant to

paragraph (1), the urban retail water supplier shall do both of the following:

(A) Continue to implement the mandatory demand reduction measures as described in its water shortage contingency analysis until hydrologic, water supply, or other conditions have changed to the point that the supplier finds that it will be able to meet projected customer demand over the next 12 months without continued implementation of the mandatory demand reduction measures.

(B) During the period that the urban retail water supplier is implementing the mandatory demand reductions measures described in its water shortage contingency analysis, the supplier shall file a report with the department by the 15th day of each month that describes how the supplier is implementing the measures.

(3) If an urban retail water supplier reports pursuant to subdivision (a) that supplies are adequate to meet projected customer demand, the urban retail water supplier, at its sole discretion, may declare any stage of its water shortage contingency analysis to balance supply and demand through the augmentation of supplies or to encourage water demand reduction as a precautionary measure. If an urban retail water supplier declares a stage of its water shortage contingency analysis pursuant to this paragraph, the urban retail water supplier shall not have an additional obligation to report to the department on the implementation of its plan.

(c) Multiple urban retail water suppliers within the same hydrologic region may file a joint report with the department if those urban retail water suppliers' water supplies are interrelated and if each urban retail water supplier determines that a joint report most accurately reflects the condition of their respective water supplies. Regardless of whether a joint report is submitted, an urban retail water supplier may submit an individual report to the department.

(d) An urban wholesale water supplier shall provide its retail agencies with information on the status of the urban wholesale water supplier's water supplies annually so that an urban retail water supplier reliant on the wholesale supply has sufficient data to comply with subdivision (a). An urban retail water supplier shall provide an urban wholesale water supplier with information

regarding its estimated annual demand for water from each wholesaler annually. An urban retail water supplier and its urban wholesale water suppliers shall meet and determine the process and dates by which they will comply with the requirements of this subdivision.

(e) An urban water supplier shall not be required to comply with any requirement in Part 2.6 (commencing with Section 10610) for any action taken or report made pursuant to this section. An action taken or report made pursuant to this section shall not be considered part of, amendments to, or changes to, an urban water management plan.

(f) The department shall establish an electronic portal through which suppliers shall provide the reports required by this section. The department shall provide the board with access to the reports and data submitted through the portal.

SEC. 2. Section 10613.5 is added to the Water Code, to read:

10613.5. "Emergency supply" means a water supply identified in the urban water management plan of an urban water supplier that has been developed to increase an urban water supplier's water supply reliability during times of shortage, including, but not limited to, unplanned service disruptions, and is in addition to the water supplies that the agency draws upon during nonshortage times to meet water demands within its service area.

SEC. 3. Section 10621 of the Water Code is amended to read:

10621. (a) Each urban water supplier shall update its plan at least once every five years on or before ~~December 31,~~ *July 1,* in years ending in ~~five and zero, except as provided in subdivisions (d) and (e).~~ *one and six.*

(b) Every urban water supplier required to prepare a plan pursuant to this part shall, at least 60 days before the public hearing on the plan required by Section 10642, notify any city or county within which the supplier provides water supplies that the urban water supplier will be reviewing the plan and considering amendments or changes to the plan. The urban water supplier may consult with, and obtain comments from, any city or county that receives notice pursuant to this subdivision.

(c) The amendments to, or changes in, the plan shall be adopted and filed in the manner set forth in Article 3 (commencing with Section 10640).

~~(d) Each urban water supplier shall update and submit its 2015 plan to the department by July 1, 2016.~~

~~(e) Each urban water supplier shall update and submit its 2020 plan to the department by July 1, 2021.~~

SEC. 4. Section 10631 of the Water Code is amended to read:

10631. A plan shall be adopted in accordance with this chapter that shall do all of the following:

(a) Describe the service area of the supplier, including current and projected population, climate, and other demographic factors affecting the supplier's water management planning. The projected population estimates shall be based upon data from the state, regional, or local service agency population projections within the service area of the urban water supplier and shall be in five-year increments to 20 years or as far as data is available.

(b) Identify and quantify, to the extent practicable, the existing and planned sources of water available to the supplier over the same five-year increments described in subdivision (a). ~~If~~

(1) If groundwater is identified as an existing or planned source of water available to the supplier, all of the following information shall be included in the plan:

~~(1)~~

(A) A copy of any groundwater management plan adopted by the urban water supplier, including plans adopted pursuant to Part 2.75 (commencing with Section 10750), or any other specific authorization for groundwater management.

~~(2)~~

(B) A description of any groundwater basin or basins from which the urban water supplier pumps groundwater. For basins that a court or the board has adjudicated the rights to pump groundwater, a copy of the order or decree adopted by the court or the board and a description of the amount of groundwater the urban water supplier has the legal right to pump under the order or decree. For basins that have not been adjudicated, information as to whether the department has identified the basin or basins as overdrafted or has projected that the basin will become overdrafted if present management conditions continue, in the most current official departmental bulletin that characterizes the condition of the groundwater basin, and a detailed description of the efforts being undertaken by the urban water supplier to eliminate the long-term overdraft condition.

~~(3)~~

(C) A detailed description and analysis of the location, amount, and sufficiency of groundwater pumped by the urban water supplier for the past five years. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

~~(4)~~

(D) A detailed description and analysis of the amount and location of groundwater that is projected to be pumped by the urban water supplier. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(2) If an emergency supply is identified as an existing or planned source of water available to the supplier, the supplier shall describe how the supply has been established to increase water supply reliability during times of shortage and how the supply is in addition to the supplies that the agency draws upon during nonshortage times to meet water demands within its service area.

(c) (1) Describe the reliability of the water supply and vulnerability to seasonal or climatic shortage, to the extent practicable, and provide data for each of the following:

(A) An average water year.

(B) A single-dry water year.

~~(C) Multiple-dry water years.~~

(C) Five consecutive dry years consisting of a repeat of the five consecutive historic driest years that the urban water supplier has experienced, unless the urban water supplier finds that a shorter multiple-year dry period would more severely impact its water supplies, in which case the urban water supplier shall use that shorter period.

(2) For any water source that may not be available at a consistent level of use, given specific legal, environmental, water quality, or climatic factors, describe plans to supplement or replace that source with alternative sources or water demand management measures, to the extent practicable.

(d) Describe the opportunities for exchanges or transfers of water on a short-term or long-term basis.

(e) (1) Quantify, to the extent records are available, past and current water use, over the same five-year increments described in subdivision (a), and projected water use, identifying the uses

among water use sectors, including, but not necessarily limited to, all of the following uses:

(A) Single-family residential.

(B) Multifamily.

(C) Commercial.

(D) Industrial.

(E) Institutional and governmental.

(F) Landscape.

(G) Sales to other agencies.

(H) Saline water intrusion barriers, groundwater recharge, or conjunctive use, or any combination thereof.

(I) Agricultural.

(J) ~~Distribution~~ *Potable distribution* system water loss.

(2) The water use projections shall be in the same five-year increments described in subdivision (a).

(3) (A) ~~For the 2015 urban water management plan update, the distribution system water loss shall be quantified for the most recent 12-month period available. For all subsequent updates, the~~ *The potable* distribution system water loss shall be quantified for each of the five years preceding the plan update.

(B) The *potable* distribution system water loss quantification shall be reported in accordance with a worksheet approved or developed by the department through a public process. The water loss quantification worksheet shall be based on the water system balance methodology developed by the American Water Works Association.

(4) (A) If available and applicable to an urban water supplier, water use projections may display and account for the water savings estimated to result from adopted codes, standards, ordinances, or transportation and land use plans identified by the urban water supplier, as applicable to the service area.

(B) To the extent that an urban water supplier reports the information described in subparagraph (A), an urban water supplier shall do both of the following:

(i) Provide citations of the various codes, standards, ordinances, or transportation and land use plans utilized in making the projections.

(ii) Indicate the extent that the water use projections consider savings from codes, standards, ordinances, or transportation and

land use plans. Water use projections that do not account for these water savings shall be noted of that fact.

(f) Provide a description of the supplier's water demand management measures. This description shall include all of the following:

(1) (A) For an urban retail water supplier, as defined in Section 10608.12, a narrative description that addresses the nature and extent of each water demand management measure implemented over the past five years. The narrative shall describe the water demand management measures that the supplier plans to implement to achieve its water use targets pursuant to Section 10608.20.

(B) The narrative pursuant to this paragraph shall include descriptions of the following water demand management measures:

(i) Water waste prevention ordinances.

(ii) Metering.

(iii) Conservation pricing.

(iv) Public education and outreach.

(v) Programs to assess and manage *potable* distribution system real loss.

(vi) Water conservation program coordination and staffing support.

(vii) Other demand management measures that have a significant impact on water use as measured in gallons per capita per day, including innovative measures, if implemented.

(2) For an urban wholesale water supplier, as defined in Section 10608.12, a narrative description of the items in clauses (ii), (iv), (vi), and (vii) of subparagraph (B) of paragraph (1), and a narrative description of its distribution system asset management and wholesale supplier assistance programs.

(g) Include a description of all water supply projects and water supply programs that may be undertaken by the urban water supplier to meet the total projected water use, as established pursuant to subdivision (a) of Section 10635. The urban water supplier shall include a detailed description of expected future projects and programs that the urban water supplier may implement to increase the amount of the water supply available to the urban water supplier in average, single-dry, and multiple-dry water years. The description shall identify specific projects and include a description of the increase in water supply that is expected to be available from each project. The description shall include an

estimate with regard to the implementation timeline for each project or program.

(h) Describe the opportunities for development of desalinated water, including, but not limited to, ocean water, brackish water, and groundwater, as a long-term supply.

~~(i) For purposes of this part, urban water suppliers that are members of the California Urban Water Conservation Council shall be deemed in compliance with the requirements of subdivision (f) by complying with all the provisions of the "Memorandum of Understanding Regarding Urban Water Conservation in California," dated December 10, 2008, as it may be amended, and by submitting the annual reports required by Section 6.2 of that memorandum.~~

~~(j)~~

(i) An urban water supplier that relies upon a wholesale agency for a source of water shall provide the wholesale agency with water use projections from that agency for that source of water in five-year increments to 20 years or as far as data is available. The wholesale agency shall provide information to the urban water supplier for inclusion in the urban water supplier's plan that identifies and quantifies, to the extent practicable, the existing and planned sources of water as required by subdivision (b), available from the wholesale agency to the urban water supplier over the same five-year increments, and during various water-year types in accordance with subdivision (c). An urban water supplier may rely upon water supply information provided by the wholesale agency in fulfilling the plan informational requirements of subdivisions (b) and (c).

SEC. 5. Section 10631.7 of the Water Code is repealed.

~~10631.7. The department, in consultation with the California Urban Water Conservation Council, shall convene an independent technical panel to provide information and recommendations to the department and the Legislature on new demand management measures, technologies, and approaches. The panel shall consist of no more than seven members, who shall be selected by the department to reflect a balanced representation of experts. The panel shall have at least one, but no more than two, representatives from each of the following: retail water suppliers, environmental organizations, the business community, wholesale water suppliers, and academia. The panel shall be convened by January 1, 2009,~~

~~and shall report to the Legislature no later than January 1, 2010, and every five years thereafter. The department shall review the panel report and include in the final report to the Legislature the department's recommendations and comments regarding the panel process and the panel's recommendations.~~

SEC. 6. Section 10632 of the Water Code is amended to read:

10632. ~~(a)~~ The plan shall provide an urban water shortage contingency analysis that includes each of the following elements that are within the authority of the urban water supplier:

~~(1) Stages~~

(a) Anticipated stages of action to be undertaken by the urban water supplier in response to water supply shortages, including up to a 50 percent reduction in water supply, and an outline of specific water supply conditions that ~~are applicable to~~ *would trigger* each stage.

~~(2) An estimate of the minimum water supply available during each of the next three water years based on the driest three-year historic sequence for the agency's water supply.~~

(b) Communications strategies to inform customers, state agencies, elected officials, and others whenever water supply shortage conditions require the implementation of the stages of action described in subdivision (a).

~~(3) Actions~~

(c) Anticipated actions to be undertaken by the urban water supplier to prepare for, and implement during, a catastrophic interruption of water supplies including, but not limited to, a regional power outage, an earthquake, or other disaster.

~~(4) Additional, mandatory prohibitions against specific water use practices during water shortages, including, but not limited to, prohibiting the use of potable water for street cleaning.~~

~~(5) Consumption reduction methods in the most restrictive stages. Each urban water supplier may use any type of consumption reduction methods in its water shortage contingency analysis that would reduce water use, are appropriate for its area, and have the ability to achieve a water use reduction consistent with up to a 50 percent reduction in water supply.~~

~~(6) Penalties or charges for excessive use, where applicable.~~

(d) Additional anticipated mandatory prohibitions against specific water use practices during water shortages.

(e) Anticipated actions to balance water supply and demand for each water supply shortage stage, including the use of emergency supplies, demand reduction methods, reoperation, or any combination of these actions. Each urban water supplier may use any type of consumption reduction, reoperation approach, or supply augmentation methods in its water shortage contingency analysis that would balance supply and demand, are appropriate for its area, and have the ability to successfully respond to each water supply shortage stage. If an urban water supplier has established an emergency supply, the supplier shall include in the description of actions to be taken when the emergency supply will be used to balance water supply and demand, and the quantity of water from the emergency supply that is planned to be used. An emergency supply designated for use during a water supply shortage shall be fully available for use by the supplier during a shortage and its use shall be at the sole discretion of the urban water supplier.

(f) Anticipated processes for monitoring and ensuring compliance by customers with mandatory prohibitions against specific water use practices and mechanisms to enforce compliance. The analysis shall include a description of the urban water supplier's established method to identify and discourage excessive water use as required by Sections 366 and 367.

~~(7)~~

(g) An analysis of the impacts of each of the actions and conditions described in ~~paragraphs (1) to (6),~~ *subdivisions (a) to (f),* inclusive, on the revenues and expenditures of the urban water supplier, and proposed measures to overcome those impacts, such as the development of reserves and rate adjustments.

~~(8) A draft water shortage contingency resolution or ordinance.~~

(h) A description of the water supplier's source of authority for implementing the water shortage actions, as identified in subdivision (e), including any adopted resolutions or ordinances.

~~(9) A mechanism for determining actual reductions in water use pursuant to the urban water shortage contingency analysis.~~

~~(b) Commencing with the urban water management plan update due July 1, 2016, for purposes of developing the water shortage contingency analysis pursuant to subdivision (a), the urban water supplier shall analyze and define water features that are artificially supplied with water, including ponds, lakes, waterfalls, and~~

~~fountains, separately from swimming pools and spas, as defined in subdivision (a) of Section 115921 of the Health and Safety Code.~~

SEC. 7. Section 10635 of the Water Code is amended to read:

10635. (a) Every urban water supplier shall include, as part of its urban water management plan, an assessment of the reliability of its water service to its customers during normal, dry, and multiple dry water years. This water supply and demand assessment shall compare the total water supply sources available to the water supplier with the total projected water use over the next 20 years, in five-year increments, for a normal water year, a single dry water year, ~~and multiple dry water years.~~ *and, in accordance with subparagraph (C) of paragraph (1) of subdivision (c) of Section 10631, five consecutive dry years or a shorter multiple-year dry period.* The water service reliability assessment shall be based upon the information compiled pursuant to Section 10631, including available data from state, regional, or local agency population projections within the service area of the urban water supplier.

(b) The urban water supplier shall provide that portion of its urban water management plan prepared pursuant to this article to any city or county within which it provides water supplies no later than 60 days after the submission of its urban water management plan.

(c) Nothing in this article is intended to create a right or entitlement to water service or any specific level of water service.

(d) Nothing in this article is intended to change existing law concerning an urban water supplier's obligation to provide water service to its existing customers or to any potential future customers.

SEC. 8. Section 10658 is added to the Water Code, to read:

10658. (a) It is the intent of the Legislature in enacting this section to do all of the following:

(1) Encourage continued investment in water supply reliability and diversification.

(2) Incentivize new and protect existing local investments made by urban water suppliers in drought resiliency and drought resilient supplies in order to better prepare local communities and the state for drought and times of shortage.

(3) Incentivize new and protect existing local investments in water recycling and potable reuse.

(4) Encourage local agencies to develop emergency supplies, including storage of flood flows in water banks throughout the state, to better protect California from the effects of drought.

(5) Encourage local agencies to take steps to prepare for the effects of climate change.

(6) Ensure that urban water suppliers have adequate supplies or take appropriate measures to reduce demand during times of drought.

(b) During a statewide drought, local drought, or water shortage, an urban water supplier shall not be required to reduce its use or reliance on any water supply available for its use and identified in its urban water management plan, or be required to take additional actions beyond those specified in its water shortage contingency analysis for the level of shortage that is anticipated in the annual report required by Section 10609 or the level of shortage that it is currently experiencing, whichever is greater.

~~SECTION 1. Section 10608 of the Water Code is amended to read:~~

~~10608. The Legislature finds and declares all of the following:~~

~~(a) Water is a public resource that the California Constitution protects against waste and unreasonable use.~~

~~(b) A growing population, climate change, and the need to protect and grow California's economy while protecting and restoring our fish and wildlife habitats make it essential that the state manage its water resources as efficiently as possible.~~

~~(c) Diverse regional water supply portfolios will increase water supply reliability and reduce dependence on the Delta.~~

~~(d) Reduced water use through conservation provides significant energy and environmental benefits, and can help protect water quality, improve streamflows, and reduce greenhouse gas emissions.~~

~~(e) The success of state and local water conservation programs to increase efficiency of water use is best determined on the basis of measurable outcomes related to water use or efficiency.~~

~~(f) Improvements in technology and management practices offer the potential for increasing water efficiency in California over time, providing an essential water management tool to meet the need for water for urban, agricultural, and environmental uses.~~

~~(g) The Governor has called for a 20 percent per capita reduction in urban water use statewide by 2020.~~

~~(h) The factors used to formulate water use efficiency targets can vary significantly from location to location based on factors including weather, patterns of urban and suburban development, and past efforts to enhance water use efficiency.~~

~~(i) Per capita water use is a valid measure of a water provider's efforts to reduce urban water use within its service area. However, per capita water use is less useful for measuring relative water use efficiency between different water providers. Differences in weather, historical patterns of urban and suburban development, and density of housing in a particular location need to be considered when assessing per capita water use as a measure of efficiency.~~

O

AMENDED IN ASSEMBLY APRIL 18, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL No. 1668

Introduced by Assembly Member Friedman

February 17, 2017

~~An act to add Section 10608.51 to the Water Code, relating to water conservation.~~ *An act to amend Sections 350, 10610.2, 10610.4, 10620, 10621, 10630, 10631, 10631.2, 10635, 10640, 10641, 10642, 10644, 10645, 10650, 10651, 10653, 10654, 10656, and 10814 of, to amend and renumber Sections 10612 and 10617 of, to repeal Section 10631.7 of, to repeal and add Section 10632 of, and to add Sections 10612, 10617, 10617.5, 10632.1, 10632.2, 10632.3, and 10643.5 to, the Water Code, relating to water.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1668, as amended, Friedman. ~~Water conservation: guidelines.~~ *Water management planning.*

(1) Existing law, the Urban Water Management Planning Act, requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan and to update its plan once every 5 years on or before December 31 in years ending in 5 and zero, except as specified.

This bill would require an urban water management plan to be updated on or before July 1, in years ending in 6 and one, incorporating updated and new information from the 5 years preceding the plan update.

(2) Existing law requires an urban water management plan, among other things, to describe the reliability of the water supply and

vulnerability to seasonal or climatic shortage, to the extent practicable, and provide data for an average, single-dry, and multiple-dry water years.

This bill would require an urban water management plan to contain a drought risk assessment that examines water shortage risks for a drought lasting the next 5 or more consecutive years.

(3) Existing law requires that an urban water management plan provide an urban water shortage contingency analysis, that includes, among other things, an estimate of the minimum water supply available during each of the following 3 water years based on the driest 3-year historic sequence for the agency's water supply.

This bill would require an urban water supplier to prepare, adopt, and periodically review a water shortage contingency plan, as prescribed, and as part of its urban water management plan. The bill would require a water shortage contingency plan to consist of certain elements that are within the authority of the urban water supplier, including, among other things, annual water budget forecast procedures, standard water shortage levels, shortage response actions, and communication protocols and procedures. The bill would require an urban water supplier to make the water shortage contingency plan available to its customers and any city or county within which it provides water supplies no later than 30 days after adoption. The bill would require an urban water supplier to conduct an annual water budget forecast and submit an annual water shortage assessment report to the department with information for anticipated shortage, triggered shortage response actions, compliance and enforcement actions, and communication actions consistent with the supplier's water shortage contingency plan by the 10th day of May of each year. The bill would require an urban water supplier to adhere to the procedures and implement determined shortage response actions in its water shortage contingency plan in drought and water shortage conditions. The bill would authorize the department to update a certain guidebook, as specified.

(4) Existing law requires an urban water supplier to submit copies of its urban water management plan and copies of amendments or changes to the plan to certain entities, including the Department of Water Resources, as prescribed. Existing law makes an urban water supplier that does not prepare, adopt, and submit its urban water management plan to the department as prescribed ineligible to receive certain funding.

This bill would extend these provisions to apply to a water shortage contingency plan. The bill would require an urban water supplier regulated by the Public Utilities Commission to include its most recent urban water management plan and water shortage contingency plan as part of its general rate case filings.

(5) Existing law requires the department to prepare and submit to the Legislature, on or before December 31, in the years ending in 6 and 1, a report summarizing the status of plans adopted pursuant to the act and to provide a copy of the report to each urban water supplier that has submitted its plan to the department.

This bill would instead require the department to prepare and submit the report about plans adopted pursuant to the act to the Legislature on or before July 1, in the years ending in 7 and 2. The bill would require the department to prepare and submit to the State Water Resources Control Board, on or before June 1 of each year, a report summarizing the submitted water budget forecast results along with appropriate reported water shortage conditions developed by the department and information regarding various shortage response actions implemented as a result of water budget forecast assessments, as prescribed, for the board to determine if noncompliance enforcement is necessary.

The bill would also require an urban water management plan and water shortage contingency plan submitted to the department on or after January 1, 2020, to be reviewed by the department for completeness, internal consistency, and conformity to specified requirements.

(6) Existing law requires any actions or proceedings to attack, review, set aside, void, or annul the acts or decisions of an urban water supplier on the grounds of noncompliance with urban water management planning requirements to be commenced in accordance with specified procedures. Existing law requires any action or proceeding alleging that an urban water management plan, or action taken pursuant to the plan, is noncompliant to be commenced within 90 days after filing of the plan or the taking of that action.

This bill would extend these provisions to apply to a water shortage contingency plan. The bill would also require any action or proceeding alleging that an urban water management plan or water shortage contingency plan, or action taken pursuant to either plan, is noncompliant to be commenced within one year after filing of the plan or the taking of that action.

(7) Existing law authorizes the governing body of a distributor of a public water supply to declare a water shortage emergency condition to prevail within the area served by the distributor whenever it finds and determines that the ordinary demands and requirements of water consumers cannot be satisfied without depleting the water supply of the distributor to the extent that there would be insufficient water for human consumption, sanitation, and fire protection.

This bill would instead require the governing body of a distributor of a public water supply to declare a water shortage emergency condition whenever it finds and determines the above-described circumstances or upon determining a water shortage of 40% or greater exists. The bill would require an urban water supplier to declare a water shortage emergency if either a water shortage of 40% or greater is determined to exist or in the event that a severe catastrophic interruption of the urban water supplier's water supply has occurred. The bill would require an urban water supplier to coordinate with any city or county within which it provides water supply services for a possible proclamation of a local emergency.

~~Existing law requires the state to achieve a 20% reduction in urban per capita water use on or before December 31, 2020, and to make incremental progress toward that state target by reducing urban per capita water use by at least 10% on or before December 31, 2015.~~

~~Executive Order B-37-16, among other things, requires the Department of Water Resources to work with the State Water Resources Control Board to develop new water use targets as a part of a permanent framework for urban water agencies.~~

~~This bill would require the state board, on or before July 1, 2018, in consultation with the department and other appropriate state agencies, to adopt water conservation guidelines that are consistent with a specified report issued in response to Executive Order B-37-16.~~

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 350 of the Water Code is amended to*
2 *read:*
3 350. The governing body of a distributor of a public water
4 supply, whether publicly or privately owned and including a mutual
5 water company, ~~may~~ *shall* declare a water shortage emergency

condition to prevail within the area served by such distributor whenever it finds and determines that the ordinary demands and requirements of water consumers cannot be satisfied without depleting the water supply of the distributor to the extent that there would be insufficient water for human consumption, sanitation, and fire ~~protection.~~ *protection or upon determining a water shortage level 4 or greater exists, as described in paragraph (2) of subdivision (a) of Section 10632.*

SEC. 2. Section 10610.2 of the Water Code is amended to read:

10610.2. (a) The Legislature finds and declares all of the following:

(1) The waters of the state are a limited and renewable resource subject to ever-increasing demands.

(2) The conservation and efficient use of urban water supplies are of statewide concern; however, the planning for that use and the implementation of those plans can best be accomplished at the local level.

(3) A long-term, reliable supply of water is essential to protect the productivity of California's businesses and economic ~~climate.~~ *climate and increasing long-term water conservation among Californians, improving water use efficiency within the state's communities and agricultural production, and strengthening local and regional drought planning are critical to California's resilience to drought and climate change.*

(4) As part of its long-range planning activities, every urban water supplier should make every effort to ensure the appropriate level of reliability in its water service sufficient to meet the needs of its various categories of customers during normal, dry, and multiple dry water ~~years.~~ *years now and into the foreseeable future and every urban water supplier should actively engage local land-use authorities to ensure water demand forecasts are consistent with current land-use planning.*

(5) Public health issues have been raised over a number of contaminants that have been identified in certain local and imported water supplies.

(6) Implementing effective water management strategies, including groundwater storage projects and recycled water projects, may require specific water quality and salinity targets for meeting groundwater basins water quality objectives and promoting beneficial use of recycled water.

(7) Water quality regulations are becoming an increasingly important factor in water agencies' selection of raw water sources, treatment alternatives, and modifications to existing treatment facilities.

(8) Changes in drinking water quality standards may also impact the usefulness of water supplies and may ultimately impact supply reliability.

(9) The quality of source supplies can have a significant impact on water management strategies and supply reliability.

(b) This part is intended to provide assistance to water agencies in carrying out their long-term resource planning responsibilities to ensure adequate water supplies to meet existing and future demands for water.

SEC. 3. Section 10610.4 of the Water Code is amended to read:

10610.4. The Legislature finds and declares that it is the policy of the state as follows:

(a) The management of urban water demands and efficient use of water shall be actively pursued to protect both the people of the state and their water resources.

(b) The management of urban water demands and efficient use of urban water supplies shall be a guiding criterion in public decisions.

(c) Urban water suppliers shall be required to develop water management plans to ~~actively pursue~~ *achieve* the efficient use of available ~~supplies.~~ *supplies and strengthen local drought planning.*

SEC. 4. Section 10612 of the Water Code is amended and renumbered to read:

~~10612.~~

10611.3. "Customer" means a purchaser of water from a water supplier who uses the water for municipal purposes, including residential, commercial, governmental, and industrial uses.

SEC. 5. Section 10612 is added to the Water Code, to read:

10612. "Drought risk assessment" means a method that examines water shortage risks for the next five or more consecutive years.

SEC. 6. Section 10617 of the Water Code is amended and renumbered to read:

~~10617.~~

10618. "Urban water supplier" means a supplier, either publicly or privately owned, providing water for municipal purposes either

directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually. An urban water supplier includes a supplier or contractor for water, regardless of the basis of right, which distributes or sells for ultimate resale to customers. This part applies only to water supplied from public water systems subject to Chapter 4 (commencing with Section 116275) of Part 12 of Division 104 of the Health and Safety Code.

SEC. 7. Section 10617 is added to the Water Code, to read:

10617. "Water budget forecast" means a method that looks at current year and one or more dry year supplies and demands for determining water shortage risks.

SEC. 8. Section 10617.5 is added to the Water Code, to read:

10617.5. "Water shortage contingency plan" means a document that incorporates the provisions detailed in subdivision (a) of Section 10632 and is subsequently adopted by an urban water supplier pursuant to this article.

SEC. 9. Section 10620 of the Water Code is amended to read:

10620. (a) Every urban water supplier shall prepare and adopt an urban water management plan in the manner set forth in Article 3 (commencing with Section 10640).

(b) Every person that becomes an urban water supplier shall adopt an urban water management plan within one year after it has become an urban water supplier.

(c) An urban water supplier indirectly providing water shall not include planning elements in its water management plan as provided in Article 2 (commencing with Section 10630) that would be applicable to urban water suppliers or public agencies directly providing water, or to their customers, without the consent of those suppliers or public agencies.

(d) (1) An urban water supplier may satisfy the requirements of this part by participation in areawide, regional, watershed, or basinwide urban water management planning where those plans will reduce preparation costs and contribute to the achievement of ~~conservation and~~ *conservation,* efficient water~~ use.~~ *use, and improved local drought resilience.*

(2) Notwithstanding paragraph (1), each urban water supplier shall develop its own water shortage contingency plan but an urban water supplier may incorporate, collaborate, and otherwise share information with other urban water suppliers or other governing entities participating in area-wide, regional, watershed,

or basin-wide urban water management plan, agricultural management plan, or groundwater sustainability plan development.

~~(2)~~

(3) Each urban water supplier shall coordinate the preparation of its plan with other appropriate agencies in the area, including other water suppliers that share a common source, water management agencies, and relevant public agencies, to the extent practicable.

(e) The urban water supplier may prepare the plan with its own staff, by contract, or in cooperation with other governmental agencies.

(f) An urban water supplier shall describe in the plan water management tools and options used by that entity that will maximize resources and minimize the need to import water from other regions.

SEC. 10. Section 10621 of the Water Code is amended to read:

10621. (a) Each urban water supplier shall update its plan at least once every five years on or before ~~December 31,~~ *July 1,* in years ending in ~~five~~ *six* and ~~zero, except as provided in subdivisions (d) and (e).~~ *one, incorporating updated and new information from the five years preceding each update.*

(b) Every urban water supplier required to prepare a plan pursuant to this part shall, at least 60 days before the public hearing on the plan required by Section 10642, notify any city or county within which the supplier provides water supplies that the urban water supplier will be reviewing the plan and considering amendments or changes to the plan. The urban water supplier may consult with, and obtain comments from, any city or county that receives notice pursuant to this subdivision.

(c) An urban water supplier regulated by the Public Utilities Commission shall include its most recent plan and water shortage contingency plan as part of the supplier's general rate case filings.

~~(c)~~

(d) The amendments to, or changes in, the plan shall be adopted and filed in the manner set forth in Article 3 (commencing with Section 10640).

~~(d)~~

(e) Each urban water supplier shall update and submit its 2015 plan to the department by July 1, 2016.

~~(e)~~

(f) Each urban water supplier shall update and submit its 2020 plan to the department by July 1, 2021.

SEC. 11. Section 10630 of the Water Code is amended to read:

10630. It is the intention of the Legislature, in enacting this part, to permit levels of water management planning commensurate with the numbers of customers served and the volume of water ~~supplied.~~ *supplied, while accounting for impacts from climate change.*

SEC. 12. Section 10631 of the Water Code is amended to read:

10631. A plan shall be adopted in accordance with this chapter that shall do all of the following:

(a) Describe the service area of the supplier, including current and projected population, ~~climate,~~ *impacts from climate change,* and other *social, economic, and* demographic factors affecting the supplier's water management planning. The projected population estimates shall be based upon data from the state, regional, or local service agency population projections within the service area of the urban water supplier and shall be in five-year increments to 20 years or as far as data is available. *The description shall include the current and projected land uses within the existing or anticipated service area affecting the supplier's water management planning. Land use information shall be obtained from local or regional land-use authorities, as developed pursuant to Article 5 (commencing with Section 65300) of Chapter 3 of Division 1 of Title 7 of the Government Code.*

(b) Identify and quantify, to the extent practicable, the existing and planned sources of water available to the supplier over the same five-year increments described in subdivision ~~(a). If groundwater is identified as an existing or planned source of water available to the supplier,~~ *(a), including* all of the ~~following information shall be included in the plan:~~ *following:*

(1) For each source of water supply, while considering any information pertinent to the reliability analysis conduct pursuant to Section 10635, provide a detailed discussion of anticipated supply availability under a normal water year, single dry year, and droughts lasting at least five years, as well as more frequent and severe periods of drought, as described in the drought risk assessment.

(2) When multiple sources of water supply are identified, describe the management of each supply in correlation with the other identified supplies.

(3) For any planned sources of water supply, describe the measures that are being undertaken to acquire and develop those water supplies.

(4) If groundwater is identified as an existing or planned source of water available to the supplier, all of the following information shall be included in the plan:

~~(1)~~

(A) A copy of any groundwater management plan adopted by the urban water supplier, including plans adopted pursuant to Part 2.75 (commencing with Section 10750), or any other specific authorization for groundwater management.

~~(2)~~

(B) A description of any groundwater basin or basins from which the urban water supplier pumps groundwater. For basins that a court or the board has adjudicated the rights to pump groundwater, a copy of the order or decree adopted by the court or the board and a description of the amount of groundwater the urban water supplier has the legal right to pump under the order or decree. For basins that have not been adjudicated, information as to whether the department has identified the basin or basins as ~~overdrafted~~ *a high- or medium-priority basin or* has projected that the basin will become ~~overdrafted~~ *a high- or medium-priority basin pursuant to Sections 10722.4 and 10933* if present management conditions continue, in the most current official departmental bulletin that characterizes the condition of the groundwater basin, and a detailed description of the efforts being undertaken by the urban water supplier to *coordinate with groundwater sustainability agencies to* eliminate the ~~long-term overdraft condition.~~ *undesirable results described in a groundwater sustainability plan pursuant to Section 10727.*

~~(3)~~

(C) A detailed description and analysis of the location, amount, and sufficiency of groundwater pumped by the urban water supplier for the past five years. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

~~(4)~~

(D) A detailed description and analysis of the amount and location of groundwater that is projected to be pumped by the urban water supplier. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

~~(c) (1) Describe the reliability of the water supply and vulnerability to seasonal or climatic shortage, to the extent practicable, and provide data for each of the following:~~

~~(A) An average water year.~~

~~(B) A single-dry water year.~~

~~(C) Multiple-dry water years.~~

~~(2) For any water source that may not be available at a consistent level of use, given specific legal, environmental, water quality, or climatic factors, describe plans to supplement or replace that source with alternative sources or water demand management measures, to the extent practicable.~~

(E) A copy of any pertinent groundwater sustainability plans for groundwater basins underlying the urban water supplier's service area.

~~(d)~~

(c) Describe the opportunities for exchanges or transfers of water on a short-term or long-term basis.

~~(e)~~

(d) (1) ~~Quantify, to the extent records are available,~~ *Quantify* past and current water use, over the same five-year increments described in subdivision (a), and projected water use, *based upon information developed pursuant to subdivision (a),* identifying the uses among water use sectors, including, but not necessarily limited to, all of the ~~following uses:~~ *following:*

(A) Single-family residential.

(B) Multifamily.

(C) Commercial.

(D) Industrial.

(E) Institutional and governmental.

(F) Landscape.

(G) Sales to other agencies.

(H) Saline water intrusion barriers, groundwater recharge, or conjunctive use, or any combination thereof.

(I) Agricultural.

(J) Distribution system water loss.

(2) The water use projections shall be in the same five-year increments described in subdivision (a).

(3) (A) ~~For the 2015 urban water management plan update, the~~ *The* distribution system water loss shall be quantified for ~~the most recent 12-month period available. For all subsequent updates, the distribution system water loss shall be quantified for~~ each of the five years preceding the plan ~~update.~~ *update in accordance with rules adopted pursuant to Section 10608.34.*

(B) The distribution system water loss quantification shall be reported in accordance with a worksheet approved or developed by the department through a public process. The water loss quantification worksheet shall be based on the water system balance methodology developed by the American Water Works Association.

(C) After 2021, data to show whether the urban water supplier met the distribution loss standards enacted by the board pursuant to Section 10608.34.

(4) (A) ~~If available and applicable to an urban water supplier, water~~ *Water* use ~~projections may~~ *projections, where available, shall* display and account for the water savings estimated to result from adopted codes, standards, ordinances, or transportation and land use plans identified by the urban water supplier, as applicable to the service area.

(B) To the extent that an urban water supplier reports the information described in subparagraph (A), an urban water supplier shall do both of the following:

(i) Provide citations of the various codes, standards, ordinances, or transportation and land use plans utilized in making the projections.

(ii) Indicate the extent that the water use projections consider savings from codes, standards, ordinances, or transportation and land use plans. Water use projections that do not account for these water savings shall be noted of that fact.

~~(f)~~

(e) Provide a description of the supplier's water demand management measures. This description shall include all of the following:

(1) (A) For an urban retail water supplier, as defined in Section 10608.12, a narrative description that addresses the nature and extent of each water demand management measure implemented

over the past five years. The narrative shall describe the water demand management measures that the supplier plans to implement to achieve its water use targets pursuant to Section ~~10608.20.~~ *10608.20 and any water use standards adopted by the board.*

(B) The narrative pursuant to this paragraph shall include descriptions of the following water demand management measures:

(i) Water waste prevention ordinances.

(ii) Metering.

(iii) Conservation pricing.

(iv) Public education and outreach.

(v) Programs to assess and manage distribution system real loss.

(vi) Water conservation program coordination and staffing support.

(vii) Other demand management measures that have a significant impact on water use as measured in gallons per capita per day, including innovative measures, if implemented.

(2) For an urban wholesale water supplier, as defined in Section 10608.12, a narrative description of the items in clauses (ii), (iv), (vi), and (vii) of subparagraph (B) of paragraph (1), and a narrative description of its distribution system asset management and wholesale supplier assistance programs.

~~(g)~~

(f) Include a description of all water supply projects and water supply programs that may be undertaken by the urban water supplier to meet the total projected water use, as established pursuant to subdivision (a) of Section 10635. The urban water supplier shall include a detailed description of expected future projects and programs that the urban water supplier may implement to increase the amount of the water supply available to the urban water supplier in ~~average,~~ *normal*, single-dry, and ~~multiple-dry~~ *for a period of drought lasting five or more consecutive* water years. The description shall identify specific projects and include a description of the increase in water supply that is expected to be available from each project. The description shall include an estimate with regard to the implementation timeline for each project or program.

~~(h)~~

(g) Describe the opportunities for development of desalinated water, including, but not limited to, ocean water, brackish water, and groundwater, as a long-term supply.

~~(i) For purposes of this part, urban water suppliers that are members of the California Urban Water Conservation Council shall be deemed in compliance with the requirements of subdivision (f) by complying with all the provisions of the "Memorandum of Understanding Regarding Urban Water Conservation in California," dated December 10, 2008, as it may be amended, and by submitting the annual reports required by Section 6.2 of that memorandum.~~

~~(j)~~

(h) An urban water supplier that relies upon a wholesale agency for a source of water shall provide the wholesale agency with water use projections from that agency for that source of water in five-year increments to 20 years or as far as data is available. The wholesale agency shall provide information to the urban water supplier for inclusion in the urban water supplier's plan that identifies and quantifies, to the extent practicable, the existing and planned sources of water as required by subdivision (b), available from the wholesale agency to the urban water supplier over the same five-year increments, and during various water-year types in accordance with subdivision ~~(c).~~ *(f).* An urban water supplier may rely upon water supply information provided by the wholesale agency in fulfilling the plan informational requirements of subdivisions (b) and ~~(c).~~ *(f).*

SEC. 13. Section 10631.2 of the Water Code is amended to read:

10631.2. (a) In addition to the requirements of Section 10631, an urban water management plan ~~may, but is not required to,~~ *shall* include any of the following ~~information:~~ *information that the urban water supplier can readily obtain:*

(1) An estimate of the amount of energy used to extract or divert water supplies.

(2) An estimate of the amount of energy used to convey water supplies to the water treatment plants or distribution systems.

(3) An estimate of the amount of energy used to treat water supplies.

(4) An estimate of the amount of energy used to distribute water supplies through its distribution systems.

(5) An estimate of the amount of energy used for treated water supplies in comparison to the amount used for nontreated water supplies.

(6) An estimate of the amount of energy used to place water into or withdraw from storage.

(7) Any other energy-related information the urban water supplier deems appropriate.

(b) The department shall include in its guidance for the preparation of urban water management plans a methodology for the voluntary calculation or estimation of the energy intensity of urban water systems. The department may consider studies and calculations conducted by the Public Utilities Commission in developing the methodology.

SEC. 14. Section 10631.7 of the Water Code is repealed.

~~10631.7. The department, in consultation with the California Urban Water Conservation Council, shall convene an independent technical panel to provide information and recommendations to the department and the Legislature on new demand management measures, technologies, and approaches. The panel shall consist of no more than seven members, who shall be selected by the department to reflect a balanced representation of experts. The panel shall have at least one, but no more than two, representatives from each of the following: retail water suppliers, environmental organizations, the business community, wholesale water suppliers, and academia. The panel shall be convened by January 1, 2009, and shall report to the Legislature no later than January 1, 2010, and every five years thereafter. The department shall review the panel report and include in the final report to the Legislature the department's recommendations and comments regarding the panel process and the panel's recommendations.~~

SEC. 15. Section 10632 of the Water Code is repealed.

~~10632. (a) The plan shall provide an urban water shortage contingency analysis that includes each of the following elements that are within the authority of the urban water supplier:~~

~~(1) Stages of action to be undertaken by the urban water supplier in response to water supply shortages, including up to a 50 percent reduction in water supply, and an outline of specific water supply conditions that are applicable to each stage.~~

~~(2) An estimate of the minimum water supply available during each of the next three water years based on the driest three-year historic sequence for the agency's water supply.~~

~~(3) Actions to be undertaken by the urban water supplier to prepare for, and implement during, a catastrophic interruption of~~

~~water supplies including, but not limited to, a regional power outage, an earthquake, or other disaster.~~

~~(4) Additional, mandatory prohibitions against specific water use practices during water shortages, including, but not limited to, prohibiting the use of potable water for street cleaning.~~

~~(5) Consumption reduction methods in the most restrictive stages. Each urban water supplier may use any type of consumption reduction methods in its water shortage contingency analysis that would reduce water use, are appropriate for its area, and have the ability to achieve a water use reduction consistent with up to a 50 percent reduction in water supply.~~

~~(6) Penalties or charges for excessive use, where applicable.~~

~~(7) An analysis of the impacts of each of the actions and conditions described in paragraphs (1) to (6), inclusive, on the revenues and expenditures of the urban water supplier, and proposed measures to overcome those impacts, such as the development of reserves and rate adjustments.~~

~~(8) A draft water shortage contingency resolution or ordinance.~~

~~(9) A mechanism for determining actual reductions in water use pursuant to the urban water shortage contingency analysis.~~

~~(b) Commencing with the urban water management plan update due July 1, 2016, for purposes of developing the water shortage contingency analysis pursuant to subdivision (a), the urban water supplier shall analyze and define water features that are artificially supplied with water, including ponds, lakes, waterfalls, and fountains, separately from swimming pools and spas, as defined in subdivision (a) of Section 115921 of the Health and Safety Code.~~

SEC. 16. Section 10632 is added to the Water Code, to read:

10632. (a) Every urban water supplier shall prepare and adopt a water shortage contingency plan as part of its urban water management plan that consists of each of the following elements:

(1) The procedures used in conducting an annual water budget forecast that include, at a minimum, both of the following:

(A) The written decisionmaking process that an urban water supplier will use each year to determine its water supply reliability.

(B) The key data inputs and assessment methodology used to evaluate the urban water supplier's water supply reliability for the current year and one or more dry years, including all of the following:

(i) Current year unconstrained demand, considering weather, growth, and other influencing factors, such as policies to manage current supplies to meet demand objectives in future years, as applicable.

(ii) Current year available supply, considering hydrological and regulatory conditions in the current year and one or more dry years.

(iii) Existing infrastructure capabilities and plausible constraints.

(iv) A defined set of locally applicable evaluation criteria that are consistently relied upon for each annual water budget forecast.

(v) A description and quantification of each source of water supply.

(2) Six standard water shortage levels corresponding to progressive ranges of up to 10, 20, 30, 40, and 50 percent shortages and greater than 50 percent shortage. Shortage levels shall also apply to catastrophic interruption of water supplies, including, but not limited to, a regional power outage, an earthquake, and other potential emergency events.

(3) Shortage response actions that align with the defined shortage levels and shall include, at a minimum, all of the following:

(A) Locally appropriate supply augmentation actions.

(B) Locally appropriate demand reduction actions to adequately respond to shortages.

(C) Locally appropriate operational changes.

(D) Additional, mandatory prohibitions against specific water use practices that are in addition to state-mandated prohibitions.

(E) For each action, an estimate of the volume of water or percentage reduction in water use that will be achieved by implementation of the action.

(4) Communication protocols and procedures to inform customers, the public, interested parties, and local, regional, and state governments, regarding, at a minimum, all of the following:

(A) Any current or predicted shortages as determined by the annual water budget forecast as determined pursuant to Section 10632.1.

(B) Any shortage response actions triggered or anticipated to be triggered by the annual water budget forecast as determined pursuant to Section 10632.1.

(C) Any other relevant communications.

(5) Customer compliance, enforcement, appeal, and exemption procedures for triggered shortage response actions as determined pursuant to Section 10632.2.

(6) (A) A description of the legal authorities that empower the urban water supplier to implement and enforce its shortage response actions specified in paragraph (3) that may include, but are not limited to, statutory authorities, ordinances, resolutions, and contract provisions.

(B) An urban water supplier shall declare a water shortage emergency in accordance with Chapter 3 (commencing with Section 350) of Division 1 in the event of either of the following:

(i) A water shortage level 4 or greater, as described in paragraph (2), is determined to exist.

(ii) A severe catastrophic interruption of the water supply of the urban water supplier has occurred.

(C) An urban water supplier shall coordinate with any city or county within which it provides water supply services for the possible proclamation of a local emergency, as defined in Section 8558 of the Government Code.

(7) A description of the financial consequences of and responses for drought conditions, including, but not limited to, all of the following:

(A) A description of potential revenue reductions and expense increases associated with activated shortage response actions described in paragraph (3).

(B) A description of mitigation actions needed to address revenue reductions and expense increases associated with activated shortage response actions described in paragraph (3).

(C) A description of the cost of compliance with Chapter 3.3 (commencing with Section 365) of Division 1.

(8) Monitoring and reporting requirements and procedures that ensure appropriate data is collected, tracked, and analyzed for purposes of monitoring customer compliance and to meet state reporting requirements.

(9) Reevaluation and improvement procedures for systematically monitoring and evaluating the functionality of the water shortage contingency plan in order to ensure shortage risk tolerance is adequate and appropriate water shortage mitigation strategies are implemented as needed.

(b) Commencing with the urban water management plan update due July 1, 2016, for purposes of developing the water shortage contingency plan pursuant to subdivision (a), the urban water supplier shall analyze and define water features that are artificially supplied with water, including ponds, lakes, waterfalls, and fountains, separately from swimming pools and spas, as defined in subdivision (a) of Section 115921 of the Health and Safety Code.

(c) The urban water supplier shall make available the water shortage contingency plan prepared pursuant to this article to its customers and any city or county within which it provides water supplies no later than 30 days after adoption of the water shortage contingency plan.

SEC. 17. Section 10632.1 is added to the Water Code, to read:

10632.1. An urban water supplier shall conduct the annual water budget forecast pursuant to subdivision (a) of Section 10632 and, by the 10th day of May of each year, submit an annual water shortage assessment report to the department with information for anticipated shortage, triggered shortage response actions, compliance, and enforcement actions, and communication actions consistent with the supplier's water shortage contingency plan.

SEC. 18. Section 10632.2 is added to the Water Code, to read:

10632.2. An urban water supplier shall adhere to the prescribed procedures and implement determined shortage response actions in its water shortage contingency plan as identified in subdivision (a) of Section 10632 in drought and water shortage conditions.

SEC. 19. Section 10632.3 is added to the Water Code, to read:

10632.3. The department may update the Urban Water Management Guidebook to include and further clarify, where necessary, the requirements contained in subdivision (a) of Section 10632.

SEC. 20. Section 10635 of the Water Code is amended to read:

10635. (a) Every urban water supplier shall include, as part of its urban water management plan, an assessment of the reliability of its water service to its customers during normal, dry, and multiple dry water years. This water supply and demand assessment shall compare the total water supply sources available to the water supplier with the *long-term* total projected water use over the next 20 years, in five-year increments, for a normal water year, a single dry water year, and ~~multiple dry~~ *a drought lasting five or more*

consecutive water years. The water service reliability assessment shall be based upon the information compiled pursuant to Section 10631, including available data from state, regional, or local agency population projections within the service area of the urban water supplier.

(b) Every urban water supplier shall include, as part of its urban water management plan, a drought risk assessment for its water service to its customers as part of information considered in developing the demand management measures and water supply projects and programs to be included in the urban water management plan. The urban water supplier may conduct an interim update or updates to this drought risk assessment within the five-year cycle of its urban water management plan update. The drought risk assessment shall satisfy the following requirements:

(1) A description of data, methodology, and basis for one or more supply shortage conditions to conduct a drought risk assessment for a drought period that lasts five or more consecutive years, starting from the year following when the assessment is conducted.

(2) A comparison of the total water supply sources available to the water supplier with the total projected water use for the drought period. Potable reuse, recycled water, and desalination are considered fully reliable.

(3) Considerations of the historical drought hydrology, plausible changes on projected supplies and demands under climate change conditions, anticipated regulatory changes, and other locally applicable criteria.

~~(b)~~

(c) The urban water supplier shall provide that portion of its urban water management plan prepared pursuant to this article to any city or county within which it provides water supplies no later than 60 days after the submission of its urban water management plan.

~~(c)~~

(d) Nothing in this article is intended to create a right or entitlement to water service or any specific level of water service.

~~(d)~~

(e) Nothing in this article is intended to change existing law concerning an urban water supplier's obligation to provide water

service to its existing customers or to any potential future customers.

SEC. 21. Section 10640 of the Water Code is amended to read:

10640. *(a)* Every urban water supplier required to prepare a plan pursuant to this part shall prepare its plan pursuant to Article 2 (commencing with Section 10630). *The supplier shall likewise periodically review the plan as required by Section 10621, and any amendments or changes required as a result of that review shall be adopted pursuant to this article.*

(b) Every urban water supplier required to prepare a water shortage contingency plan shall prepare a water shortage contingency plan pursuant to Section 10632. The supplier shall likewise periodically review the *water shortage contingency* plan as required by *paragraph (9) of subdivision (a) of* Section ~~10621,~~ *10632* and any amendments or changes required as a result of that review shall be adopted pursuant to this article.

SEC. 22. Section 10641 of the Water Code is amended to read:

10641. An urban water supplier required to prepare ~~a~~ *an urban water management plan or a water shortage contingency* plan may consult with, and obtain comments from, any public agency or state agency or any person who has special expertise with respect to water demand management methods and techniques.

SEC. 23. Section 10642 of the Water Code is amended to read:

10642. Each urban water supplier shall encourage the active involvement of diverse social, cultural, and economic elements of the population within the service area prior to and during the preparation of *both* the *urban water management plan and the water shortage contingency* plan. Prior to adopting ~~a~~ *either* plan, the urban water supplier shall make *both of* the ~~plan~~ *plans* available for public inspection and shall hold a public hearing thereon. Prior to the hearing, notice of the time and place of hearing shall be published within the jurisdiction of the publicly owned water supplier pursuant to Section 6066 of the Government Code. The urban water supplier shall provide notice of the time and place of hearing to any city or county within which the supplier provides water supplies. *Notices by a local public agency pursuant to this section shall be provided pursuant to Chapter 17.5 (commencing with Section 7290) of Division 7 of Title 1 of the Government Code.* A privately owned water supplier shall provide an equivalent notice within its service area. After the hearing, the *urban water*

management plan *or water shortage contingency plan* shall be adopted as prepared or as modified after the hearing.

SEC. 24. Section 10643.5 is added to the Water Code, to read:

10643.5. An urban water management plan and water shortage contingency plan submitted to the department on or after January 1, 2020, shall be reviewed by the department for completeness, internal consistency, and conformity to the requirements of this part and of Part 2.55 (commencing with Section 10608).

SEC. 25. Section 10644 of the Water Code is amended to read:

10644. (a) (1) An urban water supplier shall submit to the department, the California State Library, and any city or county within which the supplier provides water supplies a copy of its plan no later than 30 days after adoption. Copies of amendments or changes to the plans shall be submitted to the department, the California State Library, and any city or county within which the supplier provides water supplies within 30 days after adoption.

(2) The plan, or amendments to the plan, submitted to the department pursuant to paragraph (1) shall be submitted electronically and shall include any standardized forms, tables, or displays specified by the department.

(b) If an urban water supplier revises its water shortage contingency plan, the supplier shall submit to the department a copy of its water shortage contingency plan prepared pursuant to subdivision (a) of Section 10632 no later than 30 days after adoption, in accordance with protocols for submission and using electronic reporting tools developed by the department.

~~(b)~~

(c) The department shall prepare and submit to the board, on or before July 1, in the years ending in seven or two, a list of all urban water suppliers that have done any of the following:

(1) Submitted an urban water management plan and a water shortage contingency plan that have been accepted for filing.

(2) Submitted an urban water management plan and a water shortage contingency plan and one or both have been returned for revision and not accepted for filing.

(3) Submitted an urban water management plan and a water shortage contingency plan but the department failed to review one or both for completeness, internal consistency, and conformity to the requirements of this part and of Part 2.55 (commencing with Section 10608) pursuant to Section 10643.5.

(4) Failed to submit an urban water management plan and a water shortage contingency plan.

(d) (1) (A) Notwithstanding Section 10231.5 of the Government Code, ~~and except as provided in subparagraph (B),~~ the department shall prepare and submit to the Legislature, on or before ~~December 31,~~ *July 1,* in the years ending in ~~six~~ *seven* and ~~one,~~ *two,* a report summarizing the status of the plans adopted pursuant to this part. The report prepared by the department shall identify the exemplary elements of the individual plans. The department shall provide a copy of the report to each urban water supplier that has submitted its ~~plan~~ *plans* to the department. The department shall also prepare reports and provide data for any legislative hearings designed to consider the effectiveness of plans submitted pursuant to this part.

(B) The department shall prepare and submit to the board, on or before June 1 of each year, a report summarizing the submitted water budget forecast results along with appropriate reported water shortage conditions and the regional and statewide analysis of water supply conditions developed by the department. As part of the report, the department shall provide a summary and, as appropriate, urban water supplier specific information regarding various shortage response actions implemented as a result of annual supplier-specific water budget forecast assessments performed pursuant to Section 10632.1. The report shall include enough information on the completeness and adequacy of the information submitted for the board to determine if noncompliance enforcement is necessary.

~~(B)~~

(C) The department shall submit the report to the Legislature for the 2015 plans by July 1, 2017, and the report to the Legislature for the 2020 plans by July 1, 2022.

(2) A report to be submitted pursuant to *subparagraph (A) of* paragraph (1) shall be submitted in compliance with Section 9795 of the Government Code.

~~(c)~~

(e) (1) For the purpose of identifying the exemplary elements of the individual plans, the department shall identify in the report water demand management measures adopted and implemented by specific urban water suppliers, and identified pursuant to Section 10631, that achieve water savings significantly above the levels

established by the department to meet the requirements of Section 10631.5.

(2) The department shall distribute to the panel convened pursuant to Section 10631.7 the results achieved by the implementation of those water demand management measures described in paragraph (1).

(3) The department shall make available to the public the standard the department will use to identify exemplary water demand management measures.

SEC. 26. Section 10645 of the Water Code is amended to read:

10645. *(a)* Not later than 30 days after filing a copy of its plan with the department, the urban water supplier and the department shall make the plan available for public review during normal business hours.

(b) Not later than 30 days after filing a copy of its water shortage contingency plan with the department, the urban water supplier and the department shall make the plan available for public review during normal business hours.

SEC. 27. Section 10650 of the Water Code is amended to read:

10650. Any actions or ~~proceedings~~ *proceedings, other than actions by the board,* to attack, review, set aside, void, or annul the acts or decisions of an urban water supplier on the grounds of noncompliance with this part shall be commenced as follows:

(a) An action or proceeding alleging failure to adopt ~~a~~ *an urban water management plan or a water shortage contingency* plan shall be commenced within 18 months after that adoption is required by this part.

(b) Any action or proceeding alleging that ~~a~~ *an urban water management plan or water shortage contingency* plan, or action taken pursuant to ~~the~~ *either* plan, does not comply with this part shall be commenced within ~~90 days~~ *one year* after filing of the *urban water management* plan or *water shortage contingency plan or an* amendment ~~thereto~~ *to either plan* pursuant to Section 10644 or the taking of that action.

SEC. 28. Section 10651 of the Water Code is amended to read:

10651. In any action or proceeding to attack, review, set aside, void, or annul ~~a~~ *an urban water management plan or a water shortage contingency* plan, or an action taken pursuant to ~~the~~ *either* plan by an urban water supplier on the grounds of noncompliance with this part, the inquiry shall extend only to whether there was

a prejudicial abuse of discretion. Abuse of discretion is established if the supplier has not proceeded in a manner required by law or if the action by the water supplier is not supported by substantial evidence.

SEC. 29. Section 10653 of the Water Code is amended to read:

10653. The adoption of a plan shall satisfy any requirements of state law, regulation, or order, including those of the ~~State Water Resources Control Board~~ *board* and the Public Utilities Commission, for the preparation of water management ~~plans~~ *plans, water shortage contingency plans,* or conservation plans; provided, that if the ~~State Water Resources Control Board~~ *board* or the Public Utilities Commission requires additional information concerning water ~~conservation~~ *conservation, drought response measures, and financial information* to implement its existing authority, nothing in this part shall be deemed to limit the board or the commission in obtaining that information. The requirements of this part shall be satisfied by any urban water demand management plan ~~prepared to meet~~ *that complies with analogous* federal laws or regulations after the effective date of this part, and which substantially meets the requirements of this part, or by any existing urban water management plan which includes the contents of a plan required under this part.

SEC. 30. Section 10654 of the Water Code is amended to read:

10654. An urban water supplier may recover in its rates the costs incurred in preparing its *urban water management* plan and *its water shortage contingency plan and* implementing the reasonable water conservation measures included in ~~the~~ *either* plan. ~~Any best water management practice that is included in the plan that is identified in the "Memorandum of Understanding Regarding Urban Water Conservation in California" is deemed to be reasonable for the purposes of this section.~~

SEC. 31. Section 10656 of the Water Code is amended to read:

10656. An urban water supplier that does not prepare, adopt, and submit its urban water management plan *or its water shortage contingency plan* to the department in accordance with this part, is ineligible to receive funding pursuant to Division 24 (commencing with Section 78500) or Division 26 (commencing with Section 79000), or receive drought assistance from the state until the urban water management plan *or water shortage contingency plan* is submitted pursuant to this article.

SEC. 32. Section 10814 of the Water Code is amended to read:

10814. "Person"~~ means any individual, firm, association, organization, partnership, business, trust, corporation, company, public agency, or any agency of that entity.~~ *has the same meaning as defined in Section 10614.*

~~SECTION 1. Section 10608.51 is added to the Water Code, to read:~~

~~10608.51. (a) On or before July 1, 2018, the board, in consultation with the department and other appropriate state agencies, shall adopt water conservation guidelines that are consistent with the framework described in "Making Water Conservation a California Way of Life."~~

~~(b) For purposes of this section, "Making Water Conservation a California Way of Life," refers to the report prepared by the department, the state board, the Public Utilities Commission, the Department of Food and Agriculture, and the State Energy Resources Conservation and Development Commission in response to Executive Order B-37-16.~~

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EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: May 4, 2017

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager ARC

FROM: Richard G. Sykes, Director of Water and Natural Resources

SUBJECT: Chevron Recycled Water Contract Negotiations Update

SUMMARY

The District and Chevron have met numerous times in the past year to negotiate a new North Richmond Recycled Water agreement. The most recent meeting was on April 11, 2017. Chevron presented summary information to show their costs for using recycled water and they would like the District to consider this information to establish a rate structure that is different than the District's standard non-potable water rate of 78 percent of potable. The negotiations are ongoing. This memorandum updates the Board on the status of these efforts since the last update on January 10, 2017.

DISCUSSION

At the January 10, 2017 Board meeting, District staff and Chevron staff updated the Board regarding the North Richmond Water Recycling contract negotiations. The original contract expired on January 17, 2017. The District's goal for a new Chevron agreement for the North Richmond project is to update the rate charged for recycled water to reflect the District's standard non-potable water rate of 78 percent of potable, as confirmed in the recent Cost of Service Study. Chevron would like the District to take into account its added costs to use recycled water and provide a greater discount than the standard non-potable rate. The Board requested that Chevron provide additional information to support this request.

Chevron met with District staff on April 11, 2017 to provide a summary of the additional cost information as an update to the cost analysis Chevron originally performed to support the rate structure negotiated with the District in 2005. It included operational data that has become available since then. Chevron intended for the revised analysis to validate the findings of the original analysis, with the key cost drivers for processing recycled water being recycled water quality, incremental maintenance downtime, reduced equipment life, and added facility capital expenditures. District staff is reviewing the information in greater detail to get a better understanding of these costs and it is clear that additional meetings with Chevron will be necessary to complete the review. Staff plans to schedule meetings with Chevron during May and June with the intent to present an update at the July 25, 2017 Board meeting.

Chevron is currently using potable water because the West County Wastewater Treatment Plant is undergoing plant improvements and cannot reliably produce adequate quality water for the North Richmond plant. The plant is not expected to be back online until summer 2017. Since the agreement to provide recycled water to Chevron expired in January, District staff and Chevron are developing an interim agreement for their use of recycled water until a long-term agreement is negotiated. The interim agreement does not substantially change the provisions from the previous agreement. The interim agreement is currently scheduled for Board consideration on May 23, 2017, pending Chevron's review. Staff will continue to provide the Board with regular updates on progress with Chevron negotiations.

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EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: May 4, 2017

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager ARC

FROM: Michael J. Wallis, Director of Operations and Maintenance

SUBJECT: Storm Operations Update

INTRODUCTION

The District continues to operate its reservoirs to address the historic precipitation and snow received to date, projected precipitation, and watershed runoff. This memo provides an update on the District's Mokelumne and East Bay operations.

DISCUSSION

Mokelumne Operations

The season-to-date precipitation in the Mokelumne watershed totals 80.71 inches (178 percent of average). The snow depth at Caples Lake totals 104 inches (208 percent of average) with a water content of 54.42 inches (221 percent of average).

The season-to-date cumulative runoff in the Mokelumne watershed totals 1,232 TAF, which is the highest runoff on record through April 30. The District's current projected Water Year 2017 runoff is 1,910 TAF, based on the Department of Water Resources (DWR) April 1, 2017 snow survey, precipitation received from April 1 to April 30, and estimated median precipitation through the end of September. The current conditions and projected runoff are comparable to 1983 and 1995, as shown in the table below.

Water Year	April 30		Water Year Runoff (TAF)
	Caples Lake Snow Water Content (inches)	Caples Lake Snow Water Content (Percent of Average)	
2017	54.4	221%	1,910*
1995	57.5	234%	1,552
1983	64.7	263%	1,848

*Projected

With approximately 680 TAF of runoff remaining, staff continues to closely monitor runoff and snow conditions to manage flood control space in Pardee and Camanche reservoirs in preparation for peak runoff from snow melt.

The weather forecast for the next two weeks is relatively warm with 0.4 inches of precipitation in the Mokelumne watershed. The Camanche release rate is being maintained at 4,000 cfs because the warm weather is projected to increase runoff. The Camanche release rate is reassessed on a weekly basis or more frequently if conditions warrant. The goal of the release plan is to maintain adequate flood control space and to bring the Pardee and Camanche system to full on July 1. Water cannot be diverted to storage in Camanche Reservoir after July 1. The District will notify changes in releases via automated messages as well as emails to appropriate agencies and landowners.

East Bay Operations

The East Bay cumulative season to date precipitation is 41.09 inches (159 percent of average). Below is the status of local reservoirs:

- Briones Reservoir is 7.2 feet from spill.
- Lafayette Reservoir is 1.1 feet from spill.
- San Pablo Reservoir is 3.2 feet from spill.
- Upper San Leandro (USL) Reservoir is 8 feet from spill. Release from USL is 70 cfs.
- Chabot Reservoir is spilling about 90 cfs.

The current weather forecast is for 0.2 inches of precipitation in the East Bay over the next two weeks. Releases from USL Reservoir are being made to lower the reservoir level in support the USL Tower Seismic Upgrade Project.

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EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: May 4, 2017

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager ARC

FROM: Alison A. Kastama, Special Assistant to the General Manager

SUBJECT: Customer Outreach Update

SUMMARY

Staff will provide an update on the District's continued efforts to proactively engage customers and the public at the May 9, 2017 Board meeting. The presentation will include an overview of recent District messages, media coverage, social media and community outreach efforts, as well as outreach plans for the remainder of Fiscal Year 2017.

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EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: May 4, 2017

MEMO TO: Board of Directors

FROM: Alexander R. Coate, General Manager ARC

SUBJECT: Monthly Report – April 2017

HIGHLIGHTS

On April 11, the San Joaquin County Board of Supervisors granted the groundwater export permit application for the Demonstration Recharge, Extraction and Aquifer Management (DREAM) Project. The permit allows the District to extract groundwater from San Joaquin County in exchange for making a 1,000 acre-foot groundwater recharge. Next steps include finalizing the necessary operations and funding agreements and participating in the County's design and construction process.

On April 20, the Lower Mokelumne River Partnership Coordinating Committee (PCC) met with the State Water Resources Control Board (SWRCB) to review accomplishments of the Joint Settlement Agreement (JSA) and associated adaptive management operations. The meeting provided SWRCB with background on the JSA and associated implementation documents to assist in preparation of Bay-Delta Water Quality Control Plan Update Phase 2 environmental documents. PCC representatives reviewed accomplishments related to salmon population levels, habitat restoration and enhancement, water operations, and stakeholder involvement. SWRCB staff provided an update on the phase 2 process indicating that a draft Supplemental Environmental Document would be available in the summer of 2017. In addition to District staff, representatives from the U.S. Fish and Wildlife Service, the California Department of Fish and Wildlife, and the National Oceanic and Atmospheric Administration participated. Non-governmental organizations were also represented and included the California Sportfishing Protection Alliance and the Sierra Club.

WATER SUPPLY

Staff submitted the annual water rights reports to the SWRCB before the due date of April 1. The reports are submitted online on an annual basis by all appropriative water rights holders. The District submitted fourteen reports for the Mokelumne and local water rights, including post-1914 permits and licenses, as well as pre-1914 and riparian water rights.

On April 7, Governor Brown declared the end of the drought. The SWRCB lifted the state of emergency due to drought in almost all of the counties in California. The State also released a report outlining potential long-term water use efficiency regulations and emergency regulations. Staff is providing input into legislative language that would promulgate the proposed regulations.

California WaterFix discussions with Department of Water Resources (DWR). Staff is participating with other north of Delta Central Valley Project (CVP) contractors in discussions led by DWR staff regarding CVP contractors' concerns. Stakeholders expressed concerns about cost allocation for the project, changes to CVP operations that might affect deliveries, the outcome of the state's Water Quality Control Plan (WQCP) update, and resolution of the Coordinated Operations Agreement between DWR and the Bureau of Reclamation. Staff continues to coordinate with other north of Delta CVP contractors to develop a process for effectively addressing the WaterFix and the WQCP update with DWR.

Precipitation. The East Bay precipitation for April was 3.07 inches (155% of average) and the season total was 41.09 inches (159% of average). The Mokelumne precipitation for April was 6.72 inches (162% of average) and the season total is 80.71 inches (178% of average).

Water Releases

Camanche Reservoir. The average rate of Camanche release for April was 4,143 cfs (1,381 cfs generation, 2,713 cfs sluice, and 49 cfs through the hatchery), and the average flow below Woodbridge Dam was 4,048 cfs, both in accordance with the Joint Settlement Agreement "Normal & Above" criteria.

East Bay Reservoirs. Releases were made from San Pablo Reservoir and from USL Reservoir to maintain the reservoirs within the target storage ranges.

Water Storage

Mokelumne reservoirs storage is 98% of average. As of April 30, 2017, Pardee was at 565.9 feet or 106% of average, and the Camanche was at 216.0 feet or 93% of average. Combined Pardee and Camanche reservoir storage was 483,000 acre-feet compared to 420,000 acre-feet last year.

East Bay reservoirs storage is 98% of average. As of April 30, 2017, USL was at 452.0 feet or 94% of average, San Pablo was at 310.5 feet or 104% of average, and Briones was at 569.0 feet or 94% of average. Total terminal reservoir storage was 138,000 acre-feet compared to 139,000 acre-feet last year.

Mokelumne Aqueducts and Raw Water Pumping Plants. Mokelumne Aqueduct No. 2 was made ready for service April 19, and since that time all three Mokelumne Aqueducts have been available. The average rate of Mokelumne Aqueduct draft for April 2017 was 91 MGD. Briones Aqueduct was unavailable starting on April 10 to allow for dive work at the Briones Outlet Tower. Walnut Creek, Moraga, and Briones Raw Water Pumping Plants remained out of service for the month.

Water Production. Average rate of gross water production for April:

	April 2017	April 2016	April 2013	Average of FY 2005-2007
East of Hills	29 MGD	31 MGD	53 MGD	42 MGD
West of Hills	103 MGD	99 MGD	128 MGD	136 MGD
Total	132 MGD	130 MGD	181 MGD	178 MGD
Max Day Production	151 MGD (4/30/2017)	147 MGD (4/18/2016)	220 MGD (4/29/2013)	

Note: Data are all from preliminary daily operational reports and are subject to revision

WATER QUALITY AND ENVIRONMENTAL PROTECTION

All authorized discharges from the Main Wastewater Treatment Plant (MWWTP) were in compliance with the permit limits for the month of April. This is the 212th consecutive month that the MWWTP experienced no exceedances.

On April 24, staff provided comments to Contra Costa Water District for the Administrative Draft Supplemental EIR/EIS for the Los Vaqueros Expansion Project/Feasibility Study. A public version of the Draft Supplemental EIR/EIS is scheduled for publication in June 2017.

The District received seven odor reports in April from the public. Staff investigated all seven reports. One report was attributed to a private sewer line; another was likely from the Main Wastewater Treatment Plant (MWWTP) although no specific cause at the plant was found; and five were determined to have originated from the MWWTP. The results of investigation into the five complaints originating from the MWWTP revealed that one was material in a clarifier that was being taken out of service for refurbishment. The drain pump on the clarifier was not functioning properly which prolonged the duration of the outage process. Staff is investigating the cause of the malfunction to prevent a reoccurrence. The cause for the second report was inadequate dosing for sodium hypochlorite for flows coming into the plant. Staff increased dosing to mitigate the odors. The cause for the remaining three reports was expended carbon media on the odor control system at the influent pump station. The media was changed out immediately to mitigate the issue.

Terms have been drafted for a new water supply agreement with the West County Wastewater District (WCWD) for supply of effluent from the WCWD's Water Pollution Control Plant to the District's North Richmond Water Reclamation Plant (NRWRP). The draft agreement is intended to support WCWD providing the District with a reliable supply of high quality effluent. This will allow the District to maximize its production of recycled water from the NRWRP. The terms of the agreement were discussed at a meeting with Board representatives from both agencies in February 2017. The draft agreement is currently being

reviewed by WCWD staff. It is anticipated that the agreement will be presented to the Boards of both the District and WCWD for approval in June 2017.

On April 4, the State Water Resources Control Board (SWRCB) adopted amendments to the statewide Water Quality Enforcement Policy. District staff worked with several industry organizations to modify the proposed changes. Some of the critical concerns raised to the SWRCB were addressed in the final adopted version, such as clarifying the language specific to "human right to water" and adding potable water as a category for possible high volume discharge relief. Other concerns, such as basis for modifying penalty factors and relief factors, were not addressed and the language remained unchanged.

On April 4, an estimated 4,000 gallons of chlorinated water in excess of the effluent limits were discharged into Temescal Creek during the planned dewatering of the Claremont Tunnel in support of bringing the Orinda Water Treatment Plant back online. On April 5, staff surveyed two locations along Temescal Creek where rainbow trout had been observed and found one dead trout and two others in distress. Staff inspected the two locations on April 6 and observed a second dead trout and one trout actively swimming. The appropriate regulatory notifications were made to report the exceedance and impacts and the required 5-day report was submitted on April 11. The San Francisco Regional Water Quality Control Board may take future enforcement action based on this event.

On April 14, staff and the Bureau of Land Management (BLM) met with the Central Valley Regional Water Quality Control Board (RWQCB) to present the 65 percent design for the long-term remediation of the Poison Pond complex. It is anticipated that the Central Valley RWQCB will have no objection to the planned work which is tentatively scheduled for summer 2017, provided the cost share and right of entry agreements between the District and BLM can be finalized before then.

Lancha Plana Pond evaluated near Camanche Reservoir. The Lancha Plana pond located on the north shore of Camanche contains a manmade embankment that has impounded about 1 million gallons after the recent rains. In March, staff became aware that an earthen embankment had damage which has the potential to discharge the impounded water into Camanche reservoir. Water quality analysis in the ponded water indicated a low pH and high zinc concentration. The pond's presence has been communicated to the Central Valley RWQCB, characterization data is being collected, and staff is inspecting the site regularly. Once data is available, a plan to resolve the situation will be developed for the site.

Redwood Canyon Golf Course flood remediation work. In mid-April, the District began delivering clean-fill trench soils at the request of the Redwood Canyon Golf Course to fill in low-lying areas subject to flooding.

INFRASTRUCTURE INVESTMENT

The Orinda Water Treatment Plant Reliability and Maintenance project update. The Orinda Water Treatment Plant and Claremont Tunnel were returned to service on April 14. In April, the contractor completed installation and functional testing of pumps, motors, lighting and ventilation systems, and completed abrasive blasting and application of the chemical-resistant coating system in the hypochlorite room. The temporary hypochlorite system is in service and has been successfully feeding disinfectant. Remaining work at the plant includes completing replacement of the sodium hypochlorite system, control system, filter underdrains, and improvements to effluent No. 2.

The Chabot Dam Seismic Upgrade project update. The contractor has completed the replacement of excavated material on the dam face and will complete restoration of the face, which includes final grading and the placement of topsoil, in late May. New piezometer wells are being installed and wired. The contractor is continuing work on the outlet tower. The sluiceway and wasteway tunnel grouting will be completed in early May. The existing outlet pipe has been removed and installation of the new pipe has begun. The bottom half of the access shaft liner has been installed and the top half will be installed in mid-May.

The Summit Reservoir and Shasta/Woods Pumping Plant Replacement project (Berkeley) update. The 3.5 million gallon concrete tank walls and roof are complete. The pumping plant electrical work is underway. Fabrication of pumping plant pumps is stalled due to the fabricator's difficulty with repairing welding deficiencies.

Staff completed design of the MWWTP Communication Systems Upgrade Phase 1 and 2 Project under SD-363. This $440,000 project includes the first two phases of a multi-phase project designed to update and integrate the public address (PA) and mass notification system throughout the MWWTP. The new PA system will allow staff to make plant-wide announcements via a consolidated and integrated system in the event of an incident or emergency. Construction is expected to be completed by December 2018.

The Engineers Road Widening Project requires an increase to the construction change order contingency. The original $2,029,000 project was awarded in October 2015 to Gallagher and Burke to widen Engineers Road and establish it as the new primary access road for the MWWTP. In May 2016, the change order contingency was increased to 45 percent, for a total contract amount of $2,942,050, to accommodate significant design changes that were required to bring underground piping in compliance with code changes and allow flexibility for future expansion. The construction change order contingency now requires an increase to 55 percent, for a total contract value of $3,144,950, to accommodate unforeseen conditions during construction, including removal of soft soils, several unmapped sign and structure foundations associated with the former U.S. Army Reserve Center, and unmapped utilities that conflict with new underground utilities. Construction is expected to be completed by May 2017.

Panoramic Hill project update. On April 27, a second helicopter pipe lift successfully transported 22 bundles of HDPE and steel pipe to complete the Berkeley side of the Panoramic Hill project. This translates to 4,400 feet of pipe at a project schedule reduction of 60 days.

In April, staff met with Los Angeles Department of Water & Power staff to share information on pipeline replacements. The topics included pipeline replacement methods, current pilot initiatives, and installation of ductile iron pipe. Findings will be further evaluated as part of the District's Pipeline Rebuild program. A presentation was also made on the District's water loss initiative and leak detection technologies.

CUSTOMER AND COMMUNITY SERVICES

On March 29, District staff hosted the third and final workshop for the Bay Area Regional Reliability (BARR) Drought Task Force. The attendees reviewed the second technical memo, which detailed the 15 proposed drought mitigation measures, and the operational and administrative issues. In addition, a presentation was given on the proposed Bay Area Regional Water Market Program concept, which could comprise a major element of BARR Phase 2. A draft of the final Drought Contingency Plan will be completed in May, and a public meeting will also be held that month to receive final input and comments.

On April 4, staff met with personnel at Sutter Health Hospital in Oakland to discuss emergency preparedness and water supply expectations for both the District and the hospital. The meeting is part of outreach to several hospitals in the District's service area to learn about the recent construction improvements related to on-site water supply capabilities, learn about their emergency water supply plans, and get updated contact information to ensure ongoing communications. Staff shared information on the District's past water supply and seismic improvements, current water supply capabilities and expectations in the event of a major earthquake, and its emergency preparedness. The meeting was well received by the hospital and may lead to further discussions between the hospital and District staff on emergency preparedness.

On April 10, staff attended a stakeholder meeting sponsored by the City of Orinda. The City of Orinda asked for feedback on the portion of their master plan that addresses development along San Pablo Creek. The city is looking for partnerships with the public and local agencies as they pursue efforts to restore San Pablo Creek and encourage development that treats the creek as an amenity. Staff emphasized the District's interest in improving water quality and biodiversity in San Pablo Creek because it flows into San Pablo Reservoir.

On April 15, the District hosted the annual wildflower hike. Staff and four volunteers hosted 26 participants for the Longest Mile Wildflower Hike on a section of the Mokelumne Coast to Crest Trail west of Middle Bar. The hike highlighted the spring beauty and the ecological diversity along the Mokelumne River Canyon.

Central Reservoir Replacement project update. On April 17, staff provided a project update to Redwood Day School administrators. The project is located immediately adjacent to the school's property in Oakland. Staff discussed the plans for the reservoir site, why the reservoir is being replaced, construction methods, and the project schedule. Staff outlined the next steps and how the school's concerns will be addressed as part of the environmental review process and community meetings that will occur over the next two years.

On April 19, CAL FIRE conducted training at Camanche North Shore. CAL FIRE helicopter crews held their annual "short haul" training to practice rescuing people from the water and delivering them safely to shore.

On April 24, the District hosted a workshop with the United States Geological Survey (USGS) on the HayWired Project. The HayWired Project is a study of impacts on the San Francisco Bay Area from a magnitude 7.05 earthquake on the Hayward fault, and builds on the scientific understanding from past earthquakes and the interdependencies among multiple layers of lifelines. The purpose of the workshop was to officially begin engaging a broad group of partners to determine how to best use the HayWired results over the course of a year to improve seismic risk reduction. Following this first meeting, town hall style workshops will be held over the course of a year, organized and hosted by the HayWired Coalition to address project objectives.

The District has provided input to USGS and their contractors to model the damage and recovery of the District's water distribution system in the HayWired scenario. The results of the HayWired study will be released over the next year. The first volume describing the hazards of the HayWired earthquake scenario has been posted on USGS's website. Volume 2 which describes the impacts and recovery of lifelines will be issued in August 2017. The final volume describing the economic and social impacts will be issued in January 2018. There will be a public event to promote the HayWired study, results, and next steps on April 18, 2018.

During April, outreach efforts for the Customer Assistance Program (CAP) resulted in 144 new applicants. On April 25, staff attended the City of Oakland's Housing Workshop to provide information on the CAP.

Contract Equity Outreach

Staff participated in the following business community events:

- April 11 - American Indian Chamber Advisory Council Meeting Teleconference – 22 attendees
- April 19 - Women Construction Owners & Executives – California Chapter General Membership Meeting Teleconference – 15 attendees

Water Conservation

On April 5, staff presented *the Bay Friendly Maintenance Training* at the Hayward City Council Chambers, Hayward. This two-day training program was developed with the input of leading landscape maintenance professionals from around the Bay, and is taught by leading experts in stormwater management, soil health, irrigation, plant care, integrated pest management, and more. Staff presented on the District's commercial landscape programs which encompass customer water audits, landscape water budgets, and landscape rebates. Thirty people attended this event.

On April 6, staff provided information at the *Drip Irrigation Summit* event hosted by the City of Pittsburg, the Rainbird Corporation, and Rescape California. Topics included drip irrigation system design and maintenance, the state Model Water Efficient Landscape Ordinance, recycled water, and fertigation technology. The audience was primarily professionals in the landscape industry. Approximately fifty people were in attendance.

On April 12, staff participated in an American Waterworks Association (AWWA) webinar. This webinar *"How Customer Leaks Affect Meter Accuracy and Apparent Losses,* was the second of three through the AWWA Foundation Webinar Series: "*Water Loss: Resolving Apparent Losses at Your Utility.*" Staff discussed the results of the District's Unmeasured Flow Meter Study, including how very low flow customer leaks and corresponding meter inaccuracy may increase apparent system water losses. Thirty-five groups attended the live webinar and forty-four individuals participated online.

On April 19, staff joined the Ecology Center and Greywater Action to present the workshop *Greywater 101* at the Lafayette Library. This workshop is part of the District-funded greywater speaker/workshop series that provides an overview of a residential water supply system. Topics included common types of greywater systems, plant friendly soaps and products, general greywater system costs and water-savings potential, plumbing code and design considerations, and greywater resources. Information on greywater systems and EBMUD rebates were distributed. Thirty people attended the workshop.

Media. Staff responded to 20 media calls including calls regarding a landslide in the Oakland Hills, water supply and flooding, end of the statewide drought, dam inspections, smart meters, storm-related damage and a main break near the busy MacArthur/Laurel corridor in Oakland.

Staff finalized a new "drink tap" ad campaign which also highlights our Customer Assistance Program. The multilingual ads will appear on 53 AC Transit bus shelters and more than 200 interior AC Transit bus cards for 4-6 weeks beginning May 1.

Social media. Twitter and LinkedIn accounts included topics on the main break near the MacArthur/Laurel corridor in Oakland, Earth Day, the Longest Mile Wildflower Hike, greywater workshops, and three new "On the Job" staff profiles. The top tweet with 4,500 impressions showcased the time-lapsed Summit Reservoir concrete pour. Nextdoor posts included the new

Customer Pipeline, the Orinda Water Treatment Plant project, and updates on work on Tarry Lane in Orinda, Upper Happy Valley Road and Diablo Vista Pumping Plant in Lafayette.

Emergency preparedness meeting and tour. Staff held an emergency preparedness meeting and tour for first responder agencies from Kensington, El Cerrito and Richmond on March 31. Participants learned about the water system, and discussed collaborative planning and response in the event of an emergency.

Grand Avenue Pipeline Replacement Project, Piedmont. Staff worked with the City of Piedmont to develop and film a video segment to notify residents who will be affected by the upcoming construction project. The video will be shown on the city's local-access station, KCOM, as a public service announcement through the summer when the project starts.

On March 29 staff attended the Richmond Chamber of Commerce's Breakfast for Business at Contra Costa College. Staff provided an update on our ongoing investment in infrastructure, secure water supply, budget and rates. Approximately 200 people attended the event.

On April 19, staff hosted the annual West Oakland Liaison Group meeting, providing information on wastewater projects, water supply, infrastructure and the budget. Seventeen people attended the meeting, including residents, community members and agency partners.

WORKFORCE PLANNING AND DEVELOPMENT

Staff presented two papers at the United States Society of Dams 2017 Annual Conference on April 4 and April 5. The first paper entitled "Detection of Levee Voids at Aqueduct Crossings Using Geophysical Imaging Techniques," discussed use of geophysical non-destructive testing methods to detect voids in levees adjacent to our critical Mokelumne aqueducts. The second paper entitled "Geospatial Tools for Routine Dam Safety Monitoring and Response Applications during Emergencies," discussed the District's prototype of a geospatial web-based application for tracking and displaying dam instrumentation data. This new application will display near real time data on maps, which will simplify and improve data analysis for EBMUD's dam safety monitoring program.

On April 6, staff gave a presentation to the University of California, Berkeley's Chi Epsilon Chapter. Staff provided information on careers and their experience working for the District, and guidance for preparing for upcoming District engineering opportunities. There were 40 students in attendance. The District's participation in this and the following three events supports the District's long-term efforts to represent the District in the community, develop a diverse pipeline of candidates for future workforce needs, develop collaborative relationships with local partner organizations, and to provide positive role models within the local community.

Staff made two presentations at the California Nevada Section of the American Water Works Association Spring Conference in Anaheim. On April 12, a presentation, entitled

"EBMUD's Flying Innovation for Pipeline Replacement", was based on the successful helicopter pipe lift for the Panoramic Hill Project in September 2016.

On April 13 a presentation entitled, "CIPP-The EBMUD Experience" highlighted lessons learned on the District's cured-in-place pipe pilot projects, detailing the pros and cons related to design and construction and preliminary findings and recommendations.

On April 12, the California Department of Finance Office of State Audits and Evaluations issued a final report on their audit of the $5 million Proposition 1E Grant to the Chabot Dam Seismic Improvement Project. The report concluded that funds are being used in compliance with applicable laws, regulations, and grant requirements and that financial information was accurately reported by the District.

On April 13, staff participated in the Castro Valley High School Information, Communication Technology, and Engineering Career Exploration Day. Staff gave presentations to approximately 300 students, sharing experiences starting from when they were in high school, recalling how they navigated through various jobs and schools, and concluding with their current role at the District.

On April 13 staff attended the Oakland Unified School District's (OUSD) Oakland Youth Careers Expo. Targeted to OUSD's high schools and youth ages 16-24, the Expo provided the opportunity for staff to connect with local youth to discuss various career opportunities at the District. Staff provided information to over 1,200 students on various professional and trades career paths, as well as instruction on how to navigate through the District's civil service exam process. OUSD students attending this expo are also potential intern applicants for the District's 2017 Summer Youth Internship Program.

On April 15, staff presented to University of California, Berkeley's Society of Women Engineers about the engineering career path and why women should pursue science, technology, engineering and math (STEM) careers. Staff provided information on careers, their experience working for the District, and advice in preparing for upcoming engineering opportunities. There were 25 female engineering students and their families in attendance.

On April 15, staff participated at the East Bay Green Jobs and Career Fair held at Mount Zion Missionary Baptist Church in West Oakland. Organized by the Green Jobs Interfaith Coalition the event's purpose was to connect green employers to job seekers to help build the green economy. Staff provided information about current openings, as well as upcoming recruitments for Ranger Naturalist and operator trainee opportunities. Approximately 70 local residents attended this event.

On April 20, staff hosted an exhibit at the Stanley Middle School STEAM (science, technology, engineering, arts and mathematics) Expo. Staff presented a live working 3D model of a water distribution system (i.e., water treatment plant, reservoir, pumping plant and pipeline) to show students how STEAM can be applied to their drinking water supply.

On April 26 staff provided information to Laney College's Career Technical Education (CTE) students and graduates about current openings for sub-journey level Machining and Maintenance Worker II and journey-level Maintenance Machinist positions. The District maintains an ongoing relationship with Laney CTE educators specifically in the Industrial Maintenance, Machine Technology and Welding Technology departments where students are provided hands-on trades training.

Tuition Reimbursement

	April 2017	FY17 Total
# of Employees	9	158
# of Classes	12	218
Total Reimbursed	$8,886	$137,960

Employment Information

	April 2017	FY17 Total
Retirements – Regular	10	66
Retirements – Vested	0	15
Hires/Rehires	12	158
Other Separations	5	69

FINANCIAL STABILITY

There was one material contract over $70,000 approved by the General Manger in late March 2017 and no material, supply or construction contracts over $70,000 and less than $100,000 approved by the General Manager in April 2017.

VENDOR NAME	DATE AWARDED	CEP STATUS	ITEM (S) PURCHASED	PROJECT	CONTRACT TERM	VALUE
Forty-two Inch Metal Seated Knife Gate Valve	3/28/17	White Male	Forty-two inch metal seated knife gate valve	RFQ 1708A	04/10/17 – 04/10/18	$ 99,503.00

The Net Mokelumne Power Revenue for April was $849,956. Inflows into Pardee Reservoir for April were 447 percent of plan. Generation was 243 percent of plan. The District sold Renewable power, related Renewable Energy Credits (REC), and Resource Adequacy capacity to Marin Clean Energy (MCE). Sales of RECs generated $265,801, and Resource Adequacy sales generated $17,016 in revenue. The average electricity price was $20.55/MWh. Total net revenue for FY17 to date is an estimated $5,957,991 which is 170.2 percent of budgeted $3,500,000.

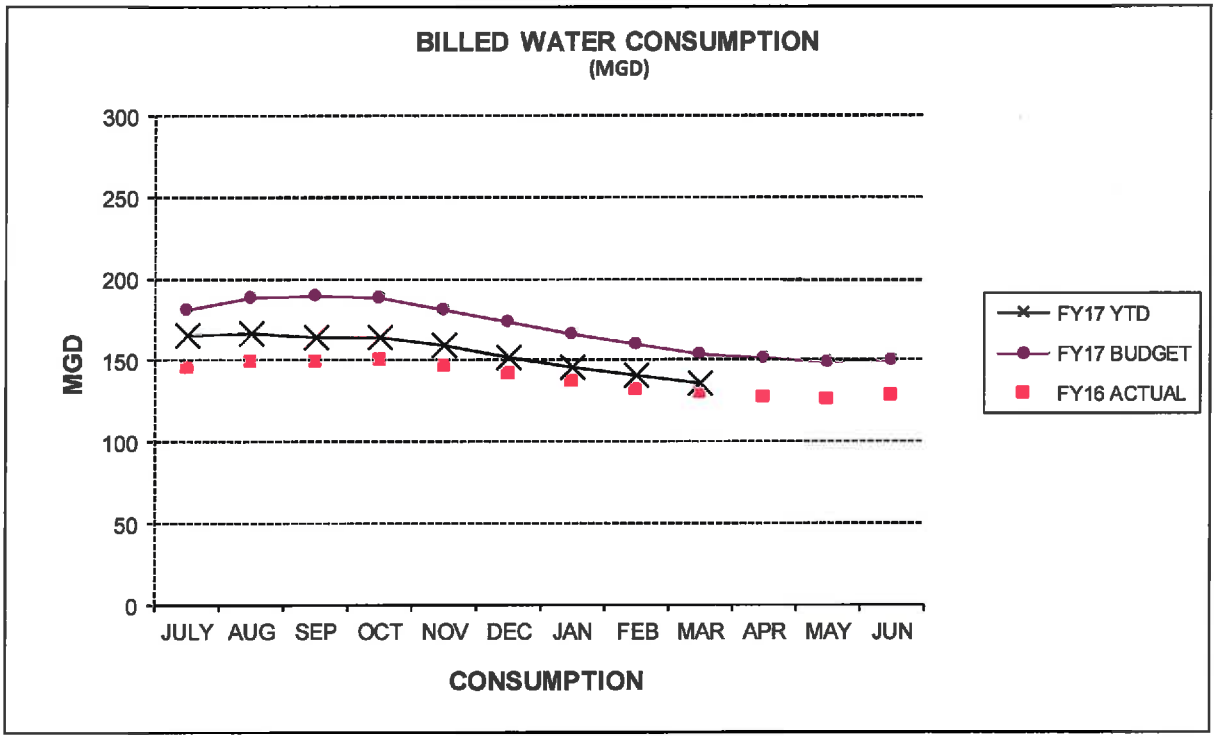
FY17	Net Revenue		Inflow (Acre Feet)	
	Plan	Actual	Plan	Actual
February 2017	$345,460	$1,016,253	44,400	364,079
March 2017	$361,500	$876,768	54,700	198,969
April 2017	$330,800	**$849,956**	53,900	**241,000**
FY17 YTD Total	$3,003,680	**$5,957,991**	370,900	**1,280,674**

Bold items are estimated

Water Sales (Consumption)

The following consumption information is the average water consumption in million gallons per day (MGD) for the fiscal year through March. The budgeted average daily water consumption for the entire fiscal year is 151 MGD. The table below shows the average billed water consumption information by customer class with a comparison to the prior fiscal year's data from the same period of time. At this time last year, the District was selling 129.7 MGD. By the close of the fiscal year the District had sold on average only 128 MGD. To date in FY17, the District has sold 135.6 MGD, but sales are projected to fall by the end of the fiscal year based on historical trends for this time of year. Current fiscal year-to-date actuals are above prior year actuals for the same period.

Fiscal Year To Date Billed Water Consumption			
Usage Type	**FY17 (MGD)**	**FY16 (MGD)**	**Year-over-Year (% change)**
Residential	69.1	63.6	8.6%
Commercial	45.4	43.9	3.4%
Industrial	15.3	16.6	-7.8%
Public Authority	5.8	5.6	3.6%
Total Billed Water Consumption	**135.6**	**129.7**	**4.5%**



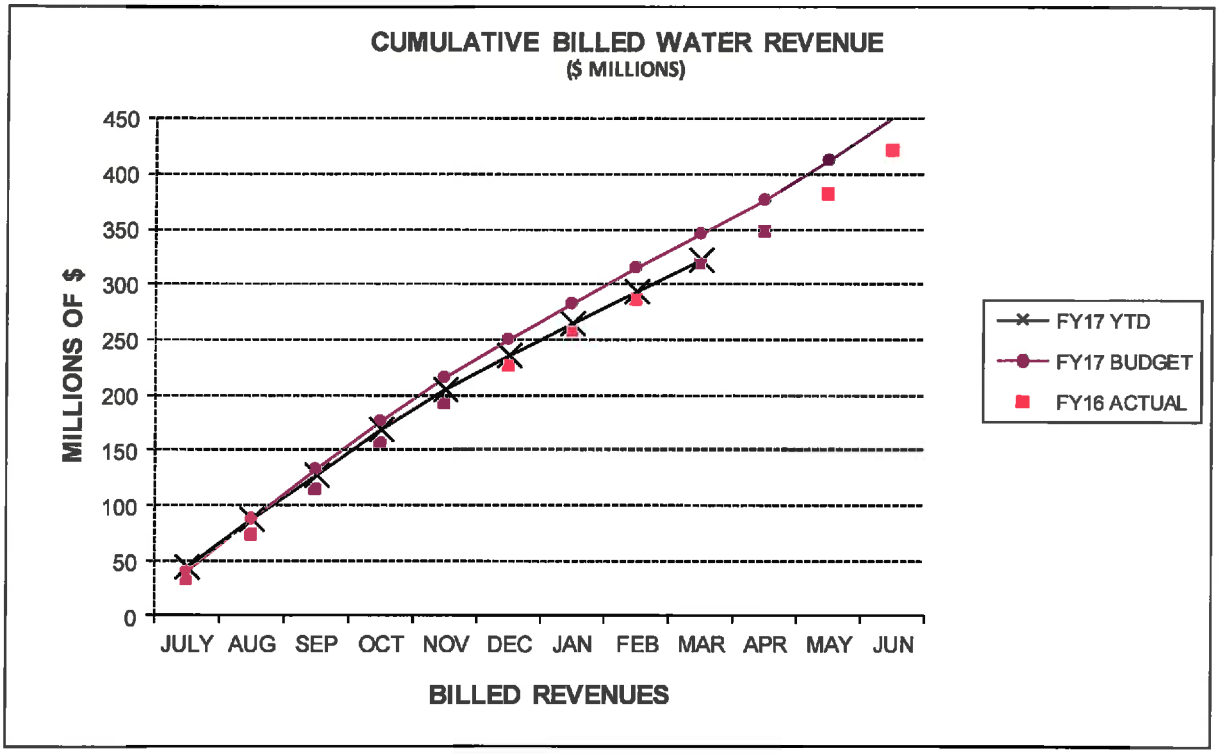
Source: Customer Information System

Water Sales (Revenue)

The following revenue information is the total billed water revenues in million dollars for the fiscal year through March. The table below shows the total billed water revenue information by revenue type with a comparison to the budgeted data for the same period of time. Current fiscal year-to-date actuals are below current fiscal year budgeted amounts. Current fiscal year-to-date actuals are above prior year actuals for the same period.

Fiscal Year to Date Billed Water Revenue ($ Millions)				
Usage Type	**Current FY Budget[1]**	**Current FY Actuals[2]**	**Prior FY Actuals**	**Year-over-Year (% change)**
Normal	$345.0	$315.6	$280.1	12.7%
Drought Surcharge	-	$5.7	$37.7	-84.9%
Drought Excessive Use Penalty	-	$0.1	$0.7	-85.7%
Total Revenue	**$345.0**	**$321.4**	**$318.5**	**0.9%**

[1]Based on the estimated annual water sales of 151 MGD under normal seasonal water use patterns.
[2]Includes prorated drought surcharge revenue from the July and August billing cycles for consumption from May and June 2016.

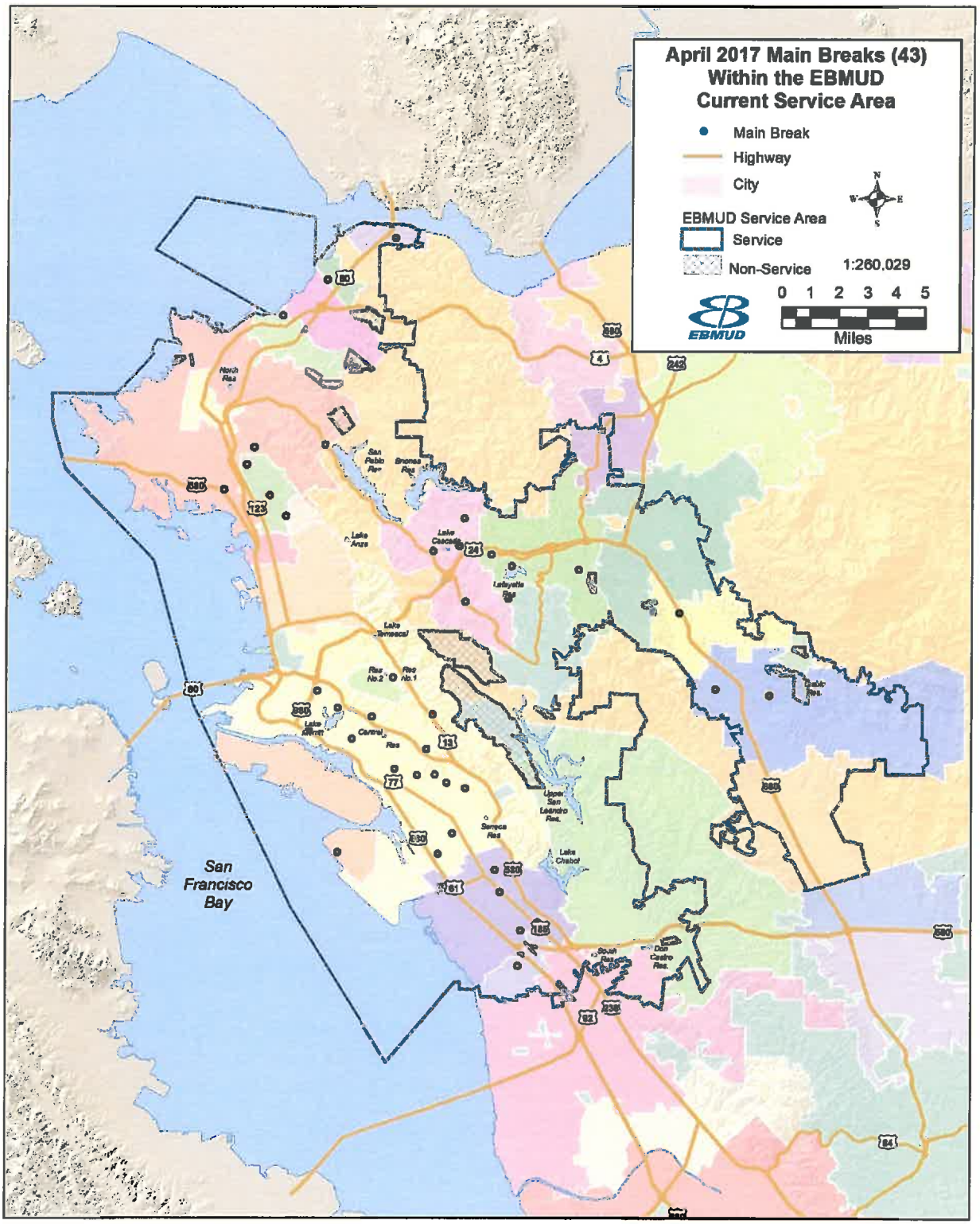


Source: Customer Information System

APRIL 2017 MAIN BREAKS										
City	Pre	Street	Suf	Pipe Material	Pipe Diameter	Year Installed	Est Water Loss (Gal)	Identified On	Completed On	KPI Met?
ALAMEDA		PATTIANI	WAY	NON METALLIC / PLASTIC	8.00	1990	45,000	4/16/2017	4/17/2017	Yes
ALAMO		LAURENITA	WAY	ASBESTOS CEMENT	6.00	1953	0	4/17/2017	4/18/2017	Yes
CROCKETT		LILLIAN	ST	CAST IRON	6.00	1946	0	3/20/2017	4/6/2017	Yes
DANVILLE		CAMINO ENCANTO		ASBESTOS CEMENT	6.00	1954	11,520	3/28/2017	4/4/2017	Yes
DANVILLE		GATETREE	CT	ASBESTOS CEMENT	6.00	1979	54,000	4/22/2017	4/22/2017	Yes
EL CERRITO		LUDWIG	AVE	CAST IRON	6.00	1928	18,000	4/3/2017	4/3/2017	Yes
EL CERRITO		PARK VISTA		CAST IRON	6.00	1954	5,760	4/4/2017	4/7/2017	Yes
EL CERRITO		VILLAGE	DR	ASBESTOS CEMENT	6.00	1948	90,000	4/30/2017	4/30/2017	Yes
EL SOBRANTE		SAN PABLO DAM	RD	STEEL	6.00	1989	0	4/4/2017	4/5/2017	Yes
LAFAYETTE		DIABLO	CIR	CAST IRON	1.00	1940	0	4/3/2017	4/11/2017	Yes
LAFAYETTE		LAS TRAMPAS	RD	ASBESTOS CEMENT	6.00	1960	720	3/31/2017	4/1/2017	Yes
LAFAYETTE		MT DIABLO	BL	STEEL	6.00	1949	72,000	4/21/2017	4/25/2017	Yes
OAKLAND	E	19TH	ST	ASBESTOS CEMENT	6.00	1960	5,760	4/25/2017	4/26/2017	Yes
OAKLAND		39TH	AVE	CAST IRON	10.00	1940	9,000	4/12/2017	4/13/2017	Yes
OAKLAND		63RD	AVE	CAST IRON	6.00	1940	0	4/3/2017	4/5/2017	Yes
OAKLAND		63RD	AVE	CAST IRON	6.00	1940	0	4/3/2017	4/5/2017	Yes
OAKLAND		73RD	AVE	STEEL	4.00	1930	7,200	4/24/2017	4/28/2017	Yes
OAKLAND		91ST	AVE	CAST IRON	6.00	1934	1,350	4/6/2017	4/6/2017	Yes
OAKLAND		30TH	ST	CAST IRON	6.00	1954	27,000	4/22/2017	4/22/2017	Yes
OAKLAND		7TH	ST	CAST IRON	12.00	1894	1,800	4/22/2017	4/23/2017	Yes
OAKLAND		BURDECK	DR	CAST IRON	6.00	1939	900	4/18/2017	4/18/2017	Yes
OAKLAND		CLARA	CT	CAST IRON	2.00	1942	1,800	4/22/2017	4/23/2017	Yes
OAKLAND		FAIRFAX	AVE	CAST IRON	6.00	1924	1,350	4/10/2017	4/10/2017	Yes
OAKLAND		HOLMAN	RD	CAST IRON	6.00	1923	9,000	4/8/2017	4/8/2017	Yes
OAKLAND		MOYER	PL	STEEL	8.00	1964	0	4/20/2017	4/20/2017	Yes
OAKLAND		NORMANDIE	AVE	CAST IRON	4.00	1934	6,750	4/5/2017	4/5/2017	Yes
OAKLAND		SAN JUAN	ST	CAST IRON	4.00	1932	21,600	4/10/2017	4/14/2017	Yes
OAKLAND		STATEN	AVE	CAST IRON	6.00	1951	23,040	4/9/2017	4/10/2017	Yes

APRIL 2017 MAIN BREAKS

City	Pre	Street	Suf	Pipe Material	Pipe Diameter	Year Installed	Est Water Loss (Gal)	Identified On	Completed On	KPI Met?
ORINDA	E	ALTARINDA	DR	STEEL	12.00	2007	8,640	4/29/2017	4/29/2017	Yes
ORINDA		DIABLO VIEW		CAST IRON	6.00	1945	1,350	4/27/2017	4/27/2017	Yes
ORINDA		MINER	RD	STEEL	16.00	1954	0	2/8/2017	4/5/2017	No
ORINDA		ORCHARD	RD	CAST IRON	6.00	1938	18,000	4/23/2017	4/23/2017	Yes
ORINDA		RHEEM	BL	STEEL	12.00	1949	57,600	4/10/2017	4/17/2017	Yes
PINOLE		ORLEANS	DR	ASBESTOS CEMENT	6.00	1956	9,000	4/13/2017	4/13/2017	Yes
PINOLE		ORLEANS	DR	ASBESTOS CEMENT	6.00	1956	9,000	4/14/2017	4/14/2017	Yes
RICHMOND		KENSINGTON	AVE	CAST IRON	6.00	1937	28,800	3/31/2017	4/3/2017	Yes
RICHMOND		ROSEWOOD	AVE	CAST IRON	4.00	1942	7,200	4/21/2017	4/25/2017	Yes
RODEO		PARKER	AVE	CAST IRON	4.00	1939	1,800	4/27/2017	4/28/2017	Yes
SAN LEANDRO		ARBOR	DR	STEEL	4.00	1926	8,640	4/5/2017	4/10/2017	Yes
SAN LEANDRO		BLOSSOM	WAY	CAST IRON	8.00	1929	0	4/25/2017	4/27/2017	Yes
SAN LEANDRO		ORIOLE	AVE	CAST IRON	4.00	1938	25,920	3/29/2017	4/3/2017	Yes
SAN LEANDRO		VERA	AVE	CAST IRON	4.00	1947	0	4/18/2017	4/19/2017	Yes
SAN LORENZO		GRANT	AVE	CAST IRON	6.00	1945	14,400	4/8/2017	4/12/2017	Yes
						TOTAL	603,900			


April 2017 Main Breaks (43)
Within the EBMUD
Current Service Area
Main Break
Highway
City
EBMUD Service Area
Service
Non-Service
1:260,029
0 1 2 3 4 5
Miles
EBMUD
San Francisco Bay

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: May 4, 2017

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager ARC

FROM: Rischa S. Cole, Secretary of the District RC

SUBJECT: Finance/Administration Committee Minutes – April 25, 2017

Chair William B. Patterson called to order the Finance/Administration Committee meeting in the Training Resource Center at 10 a.m. Directors John A. Coleman and Frank Mellon were present at roll call. Staff present included: General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Director of Finance Sophia D. Skoda, Internal Auditor Supervisor Barry N. Gardin, Principal Management Analyst Damien R. Charlety, Principal Management Analyst Travis J. George, Special Assistant to the General Manager Alison A. Kastama, and Secretary of the District Rischa S. Cole.

Public Comment. None.

Review of Revisions to District Policy 4.02. Internal Auditor Supervisor Barry N. Gardin summarized the proposed modifications to Policy 4.02 - Cash Reserves and Debt Management. The policy is being modified to ensure compliance with the requirements of state law SB 1029 and to remain consistent with best practices as established through review of peer agencies' debt policies. Staff is proposing to modify the existing policy to: outline the types of financial instruments that may be used; describe the circumstances under which financing can be obtained; describe the conditions under which funds can be held; and specify the requirement to comply with applicable laws and regulations. It was moved by Director Mellon, seconded by Director Coleman, and carried (3-0) to forward Policy 4.02 to the full Board.

Investment Policy Annual Review. Principal Management Analyst Damien R. Charlety reviewed proposed changes to Investment Policy 4.07. He said the policy was reviewed to ensure it remains in compliance with the California Government Code and was updated for clarity in response to recent regulatory changes. The policy was updated to: clarify which staff has authority to manage District investments; clarify that the District will only invest in Money Market Mutual Funds not subject to new regulation requirements; clearly reflect that investment of bond proceeds is governed by the bond documents, not by the policy; and limit investments in Certificates of Deposit to the maximum amount insured by the Federal Deposit Insurance Corporation. Additional modifications were made to the policy to make it more comprehensible and functional as a reference document. It was moved by Director Mellon, seconded by Director Coleman, and carried (3-0) to forward Policy 4.07 to the full Board.

Sale of Water and Wastewater Revenue Bonds. Principal Management Analyst Travis J. George presented the recommendation to authorize issuance of additional Water and Wastewater Systems Revenue/Refunding bonds and direct publication of the District's intention to issue debt. The proposed Series 2017A and Series 2017B Water System Revenue Bonds will fund capital

improvements for FY17 and FY18, may refund portions of the District's outstanding revenue bonds, and will pay bond issuance costs. Staff plans to issue the bonds in an aggregate principal amount not to exceed $500 million and in two series to facilitate the possible issuance of a portion as "Green Bonds." Combining the two years' sales and issuing at the end of FY17 provides significant savings to the District of approximately $4.5 million for FY17 and nearly $700,000 in issuance costs for FY18. Wastewater System Revenue/Refunding Bonds Series 2017A are planned to be issued in an amount not to exceed $80 million. The bonds will fund wastewater system capital improvements for FY18, may refund portions of the District's outstanding revenue bonds, and will pay bond issuance costs. It was moved by Director Mellon, seconded by Director Coleman, and carried (3-0) to accept staff's recommendations.

Quarterly Financial Reports. Director of Finance Sophia D. Skoda reported that the quarterly reports were filed in compliance with government statutes. The reports cover investment transactions along with quarterly payroll, disbursements and real estate summary reports for the Water and Wastewater Systems quarter ending March 31, 2017. It was moved by Director Mellon, seconded by Director Coleman, and carried (3-0) to accept the reports.

Adjournment. Chair Patterson adjourned the meeting at 10:28 a.m.

ARC/RSC
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