

May 12, 2008

**SUBJECT:** Proposed Changes to the EBMUD System Capacity Charge and Meter Requirements for Multi-Family Structures and Multi-Occupancy Commercial Developments of Three Stories in Height or Less.

Dear Customer:

This letter is to advise you of two important changes coming in the near future affecting new applicants to EBMUD for water service. EBMUD plans to implement the second phase of the five-year phase-in of System Capacity Charge (SCC) increases. Additionally, new multi-family developments and commercial developments of three stories in height or less will be required to individually meter each unit, effective January 1, 2009. These two issues are further explained below. These changes to the Rates and Regulations are scheduled to be approved by the EBMUD Board of Directors on June 10, 2008 and a public hearing is scheduled for May 27, 2008 during the regularly scheduled meeting of the Board that begins at 1:15 p.m.

### **System Capacity Charge**

In June 2007, the Board adopted a new SCC rate calculation methodology consisting of a new buy-in component plus the existing Future Water Supply component. The Board authorized a five-year phase-in of the new methodology. In addition, the Board reduced the number of primary SCC Regions from 7 to 3, as well as reducing the number of sub-regions from 6 to 5. As part of the FY09 update of Rates and Charges, the District is proposing to implement the second year of the five-year phase-in of the revised SCC rate methodology. The District also proposes to eliminate three of the remaining subregions (1A, 3A, and 3B) because they are built out and few new developments in those areas are expected. If approved by the Board of Directors at the June 10, 2008 meeting, the new SCC rates will become effective on August 11, 2008.

The table below compares the current and proposed rates for the three SCC regions.

**PROPOSED SCC**

Region	1	2	3
SCC Current (FY08)	\$6,380	\$8,500	\$23,700
SCC Proposed (FY09)	\$8,110	\$11,770	\$24,990

**Meter Requirements for Multi-Family and Multi-Space Commercial Developments**

The enactment of a new EBMUD regulation affecting multi-family and multi-space commercial and industrial developments of less than 4 stories in height is being proposed. It is the intention of EBMUD to require this individual metering whenever it is feasible to do so in order to encourage water conservation. This proposed change will require the developer to plumb every unit or space so that it can be individually metered by EBMUD at an approved metering site. The proposed regulation would be effective January 1, 2009 to allow sufficient time for applicants to prepare for the new requirement.

If you have any questions or concerns regarding these proposed changes, feel free to contact me at 510-287-1182.

Sincerely,

  
Joseph Callahan  
Customer Services Manager  
New Business Office

JC:GB:WHT