EAST BAY MUNICIPAL UTILITY DISTRICT

East Bay Municipal Utility District
Capacity Charge Report
Fiscal Year 2025
December 23, 2025

The East Bay Municipal Utility District (District) established its System Capacity Charge (SCC) in 1983 to recover the proportional share of the costs of capital facilities necessary to provide capacity for new and expanded water system use. The SCC helps to fund the District's water system capital improvement program via the payment of debt service and funding for future water supply upgrades to meet long-term needs for additional water supplies.

The Wastewater Capacity Fee (WCF) program was established in 1984. The purpose of the WCF program is to recover the costs of capital facilities necessary to provide wastewater treatment capacity for new and expanded wastewater system use. The WCF program helps to fund the District's capital program, including the payment of debt service and funding for wastewater-related capital projects.

Government Code Section 66013 requires local agencies that collect capacity charges to deposit and account for these fees in a separate capital facilities fund. In addition, local agencies are required to annually provide certain information on the activity in this fund to the public. Government Code Section 66013 (b) (3) defines a Capacity Charge as *"a charge for public facilities at the time the charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the local agency involving capital expense related to its use of the use of existing or new public facilities."*

Government Code Section 66013 (d) outlines the reporting requirements on the capital facilities funds and expenditures. Government Code Section 66013 (f) (2) exempts capacity charges that are used to pay existing debt service from the reporting requirements of Government Code Section 66013 (d).

The District has the following capacity charge funds:

Future Water Supply Fund. The District collects a SCC from applicants for new or expanded water service. The amount of the SCC is based on the new development's proportionate share of the cost of water system facilities, including existing District system-wide facilities, regional facilities, and future water supply projects. Funding for future water supply projects comes from the Future Water Supply (FWS) component of the SCC (or from debt financing if the revenues from the FWS component revenues are insufficient). Changes in the FWS fund for Fiscal Year 2025 (FY 2025) are shown in the following table.

FY 2025 Future Water Supply Fund ($)	
Beginning Balance (as of 7/1/24)	0
Charges Collected	4,999,881
Prior Year Adjustment*	1,590,007
FY 2024 Costs Applied**	(653,018)
FY 2025 Costs Applied	(1,693,914)
Interest Earnings	42,800
Ending Balance (as of 6/30/25)	**4,285,756**

*The $1,590,007 adjustment occurred due to a refund of Future Water Supply funds previously allocated to the Los Vaqueros Reservoir Expansion project. The project was terminated in 2024 and the Joint Powers Authority that had been formed to administer the project refunded remaining funds in 2025 to the partner agencies in proportion to their contributions as part of the project dissolution.
**$653,018 in FY 2024 costs were applied in FY 2025. See table below.

FY 2025 Future Water Supply Costs Applied by Project		
Project	**FY 2024 Costs Applied ($)**	**FY 2025 Costs Applied ($)**
Los Vaqueros Expansion	(226,673)	(186,497)
San Joaquin Banking Project	(75,338)	(373,689)
Groundwater Bayside Phase 2	(17,680)	(9,020)
San Ramon Valley Recycled Water Project	0	0
East Bayshore Recycled Water Project	(289,284)	(601,847)
Phillips 66 Refinery Recycled Water Project	(44,043)	(522,861)
Total	**(653,018)**	**(1,693,914)**

For FY 2026, FWS projects are anticipated to be similar to those in FY 2025 except that the Los Vaqueros Expansion and Groundwater Bayside Phase 2 projects will no longer be considered as projects to which the FWS component of the SCC will be applied.

System Capacity Buy-In Component. In addition to the FWS component, the SCC includes a buy-in component to pay for the proportional share of the existing water system infrastructure. The revenue from the buy-in component is used to pay the debt service on existing water system infrastructure debt and is exempt from the reporting requirements of Government Code Section 66013 (d). As shown in the following table, the fund balance is maintained at $0 and no interest is earned.

FY 2024 System Capacity Buy-In Component ($)	
Beginning Balance (as of 7/1/24)	0
Charges Collected	31,458,887
Costs Applied	(31,458,887)
Interest Earnings	0
Ending Balance (as of 6/30/25)	**0**

For FY 2026, the District anticipates using revenue from the buy-in component to pay a portion of the debt service on existing water system infrastructure debt.

Wastewater Equipment Replacement Fund. The District collects a WCF from applicants for new wastewater connections. This fee is collected in the Wastewater Equipment Replacement Fund and is used to pay for wastewater system equipment replacements. Changes in this fund for FY 2025 are shown in the following table.

FY 2025 Wastewater Equipment Replacement Fund ($)	
Beginning Balance (as of 7/1/24)	4,571,199
Charges Collected	5,357,714
Costs Applied	(6,908,034)
Interest Earnings	175,885
Ending Balance (as of 6/30/25)	**3,196,76**

FY 2025 Wastewater Equipment Replacement Fund Costs Applied by Project ($)	
Hypochlorite Piping Phase 2 and Liquid Oxygen Tanks	(53,630)
Pump Station M Rehabilitation &Force Main Construction	(2,205,491)
Wastewater General Structures FY 20-21	(17,959)
Wastewater Wet Weather FY 20-21	(3,284)
Oxygen Plant Rehabilitation Design	(4,506,662)
Wastewater Digestion FY 22-23	5,966
Wastewater General Structures FY 22-23	(106,634)
Wastewater Secondary FY 22-23	(18,437)
Wastewater Power Generation Station Turbine FY 22-23	(1,904)
Total	**(6,908,034)**

For FY 2026, Wastewater Equipment Replacement Fund expenditures are anticipated to be approximately $8.4 million. Wastewater Equipment Replacement Fund projects in FY 2026 will include the MWWTP O2 Rehabilitation construction costs.