

Public Hearing FY15 Proposed Non-Prop 218 Rates, Charges & Regulations

June 10, 2014

Key Dates



- FY15 Adopted Prop 218 Rates, Fees & Charges June 11, 2013
- FY15 GM Report on Recommended Non-Prop 218 Rates, Fees, & Charges May 13, 2014
- Public Hearing June 10, 2014

Recommended Rates & Charges



- Update Water and Wastewater capacity fee calculations
- Update of Miscellaneous fees
 - Updated Public Records Act fee
 - Trail Day Permit (increase from \$2.50 to \$3.00)
 - Updated Resource Recovery fees
- Minor change in regulation for facilities for new developments

Water System Capacity Charges (SCC)

Water SCC Recommendation



- Updated unit costs for the system-wide and regional buy-in components
 - Followed methodology from 2007 SCC study
 - Updated inventory of District's fixed assets
 - Adjusted value for inflation (2.72%)
- Updated unit costs - Future Water Supply (FWS) component
 - Updated FWS project costs and definitions per Water System Master Plan 2040

System-Wide and Regional Facilities Buy-in



Region	System-Wide Buy-In Unit Cost \$/100gpd		Regional Buy-In Unit Cost \$/100gpd	
	Current	Proposed	Current	Proposed
1	\$1,857	\$1,926	\$1,864	\$1,921
2	\$1,857	\$1,926	\$3,784	\$3,900
3	\$1,857	\$1,926	\$2,240	\$2,309
3C	\$1,857	\$1,926	\$1,681	\$1,733
3D	\$1,857	\$1,926	\$1,681	\$1,733

**Future Water System proposed increase from:
\$1,845/100 gpd to \$1,904/100 gpd**

Water SCC by Region



Region	Water Consumption		Unit Costs	Capacity Charge	
	Residential 3/4" (gpd)	Non Res 5/8" (gpd)	\$/100 gpd	Residential 3/4" \$ (% incr)	Non Res 5/8" \$ (% incr)
Region 1	280	400	\$5,751	\$16,100 (3.3%)	\$23,000 (3.3%)
Region 2	360	535	\$7,730	\$27,830 (3.3%)	\$41,360 (3.3%)
Region 3	580	625	\$6,139	\$35,610 (3.3%)	\$38,370 (3.3%)
Region 3C	775	775	\$10,437	\$80,890 (3.9%)	See Note 1
Region 3D	775	775	\$11,763	\$91,170 (3.9%)	\$91,170 (3.9%)

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

Wastewater Capacity Fee (WCF)

Wastewater Capacity Fee Recommendation



- Update unit costs for the WCF for 2015
 - Follow buy-in methodology from 2013 WCF study and SCC study with a reduction of build out capacity to 85 MGD
 - Second year of the board-approved 5 year phase-in of 2013 methodology
 - Updated inventory of District's fixed assets
 - Adjusted value for inflation (2.72%)

Wastewater Capacity Fee Unit Charges



Unit Capacity Rate	Current	FY15 PHASED-IN YR 2	% Incr
Flow /Ccf/ Month	\$106.98	\$121.97	14.0%
CODf / lbs/ Month	\$ 23.18	\$ 30.34	30.9%
TSS / lbs/ Month	\$ 43.00	\$ 48.77	13.4%

Single Family Connection Charge	\$1,385	\$1,607	16.0%
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Survey of Comparable Agencies -
includes connection charge for sewer collection from SD-1 satellite agencies

EBMUD incl Collection	SFPUC	DSRSD	CCCSD	Union SD
\$3,032	\$3,514	\$16,129	\$5,930	\$5,329

Wastewater Resource Recovery Fees (Schedule B)



Revised Resource Recovery fees based on operating cost experience and knowledge of customer waste streams

- Consolidate waste categories (groundwater, process water) and sub-categories (protein material, gray water)
- Reduced fees for fats, oils and greases (3¢ per gallon) and sludge (0.5¢ per gallon)
- Increased fee for process water, gray water and liquid organic materials (1¢ to 2¢ per gallon)
- Increased permit fee from \$200 to \$300

Rates & Charges Timeline



Milestone	Date
Public Hearing on Non-Prop 218 Rates & Charges	June 10
Board consideration and adoption of Non-Prop 218 Rates & Charges	June 10
Water & WW Rates take effect	July 1
Water & WW SCCs take effect	August 11
Recreation Fees take effect	January 1

Summary of Proposed Board Actions



Item 10 - Adopt FY15 Non-Prop 218 Rates & Charges

- Held public hearing on rates & charges

Item 11 - Affirm Water and Wastewater FY15 Budget

- No changes proposed

Item 12 - Adopt the FY15 Position Resolution

- No new positions added
- Deletes one position - already approved as part of FY14-15 adopted budget
- Adds two new classifications

Item 13 - Adopt July 2014 Strategic Plan

- Incorporated revisions from Board workshop

Q&A

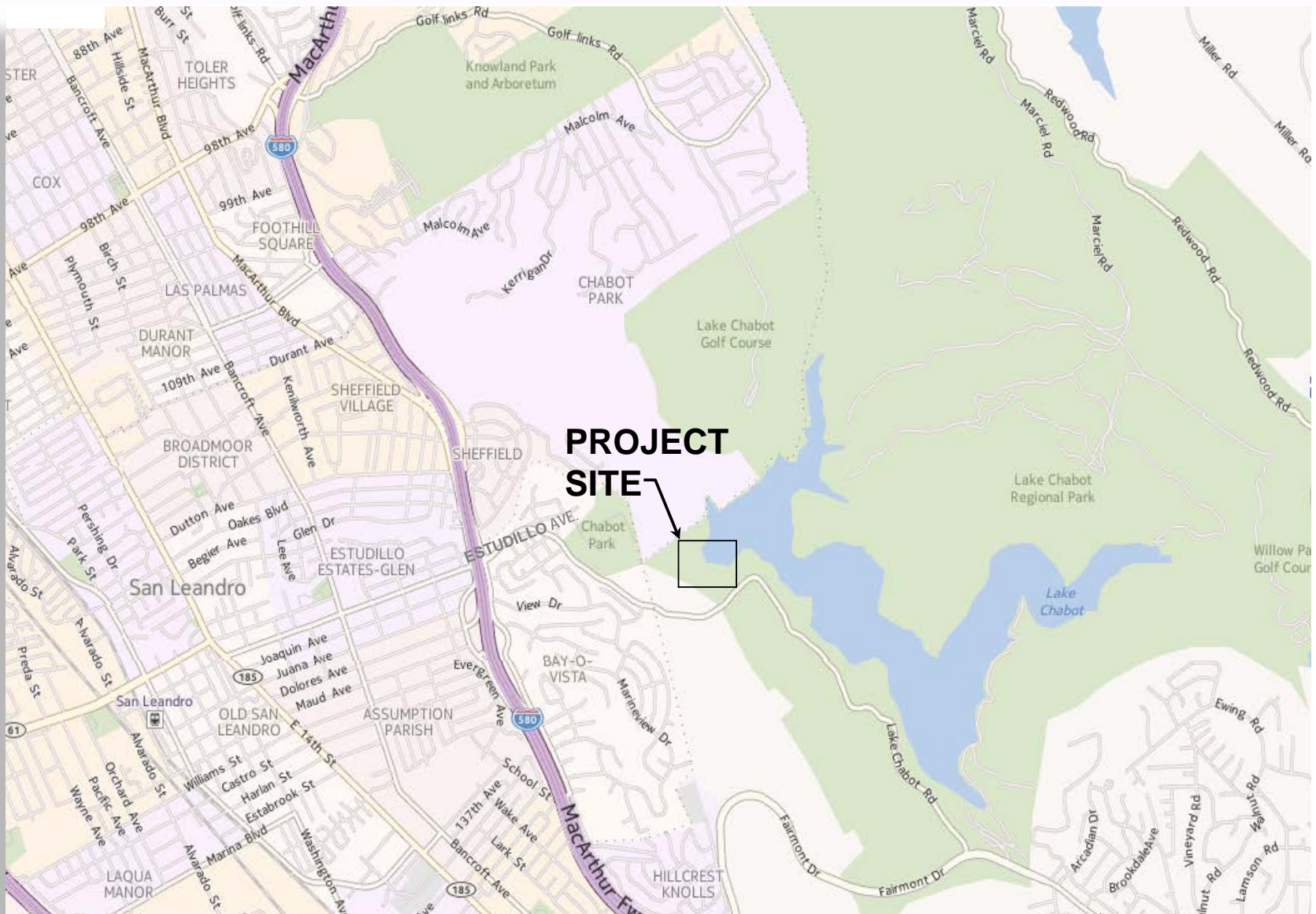


Chabot Dam Seismic Upgrade Project



**Board Meeting
June 10, 2014**

Project Location

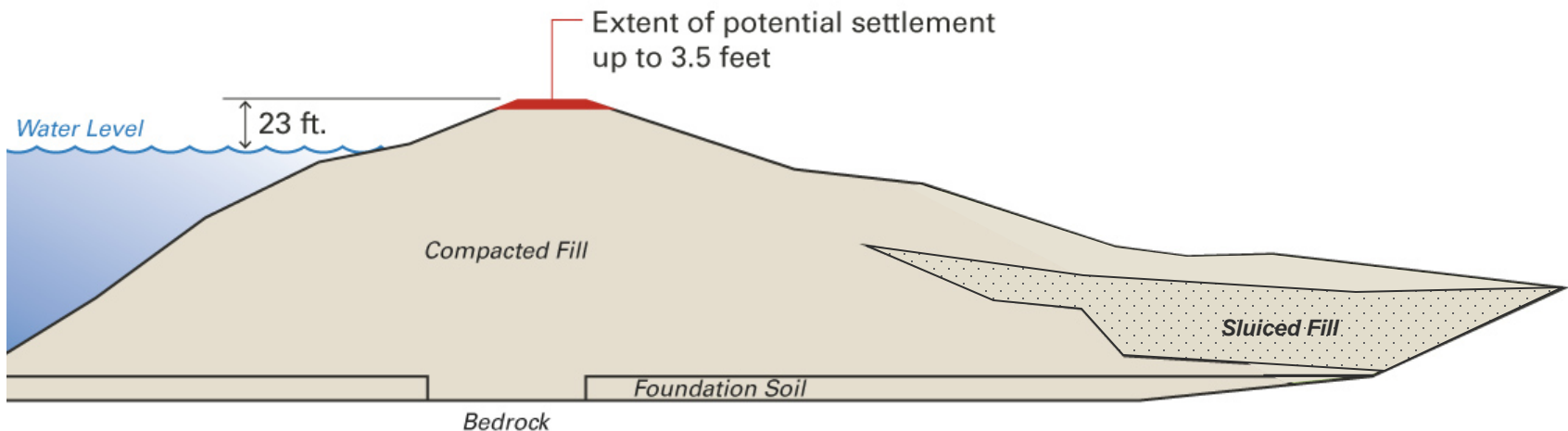


Project Need



2005 Analysis

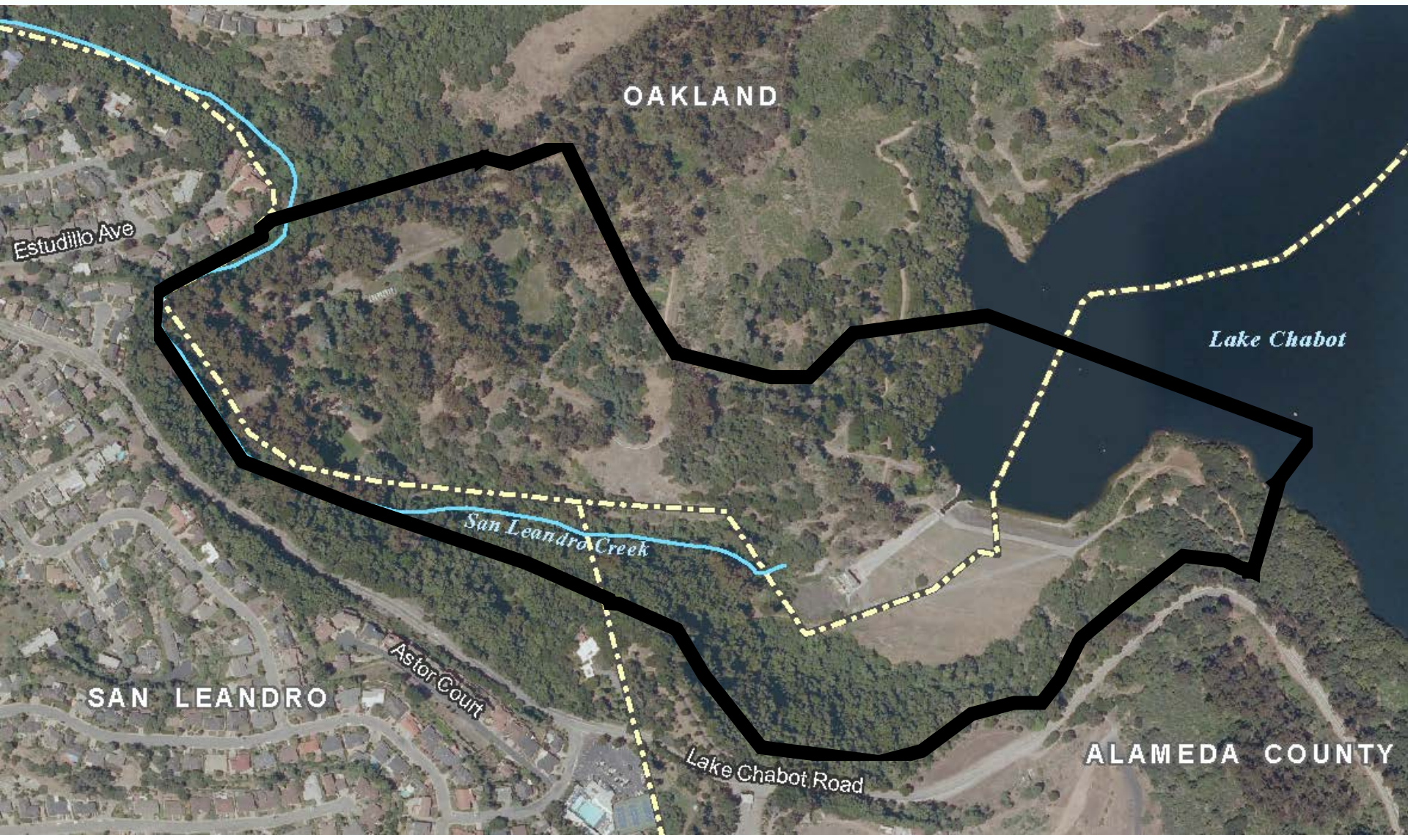
- Estimated Dam Crest Settlement 1.5 to 3.5 Feet
- Tower failure, potentially damaging the outlet piping
- DSOD requires upgrade to dam and outlet



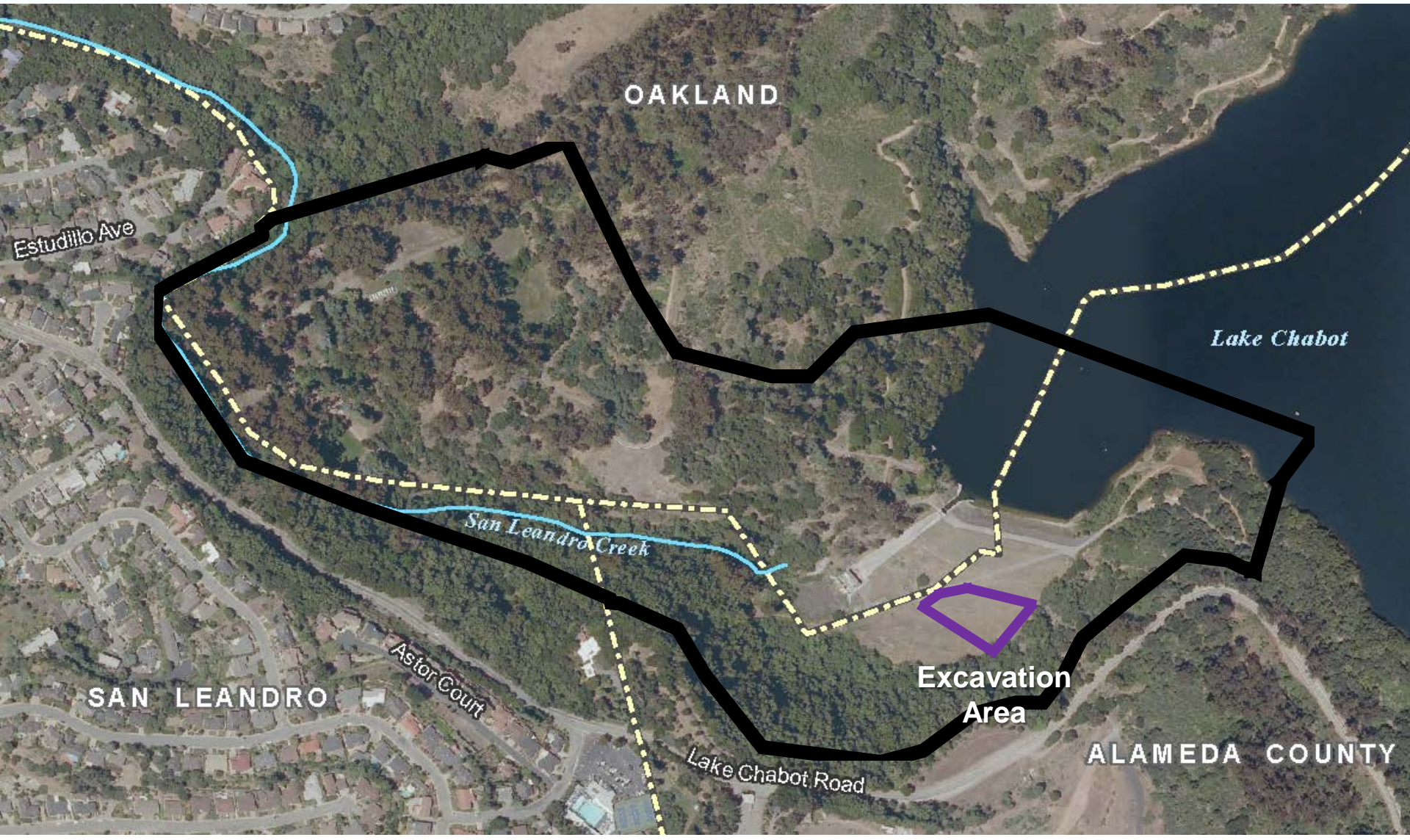
Project Overview



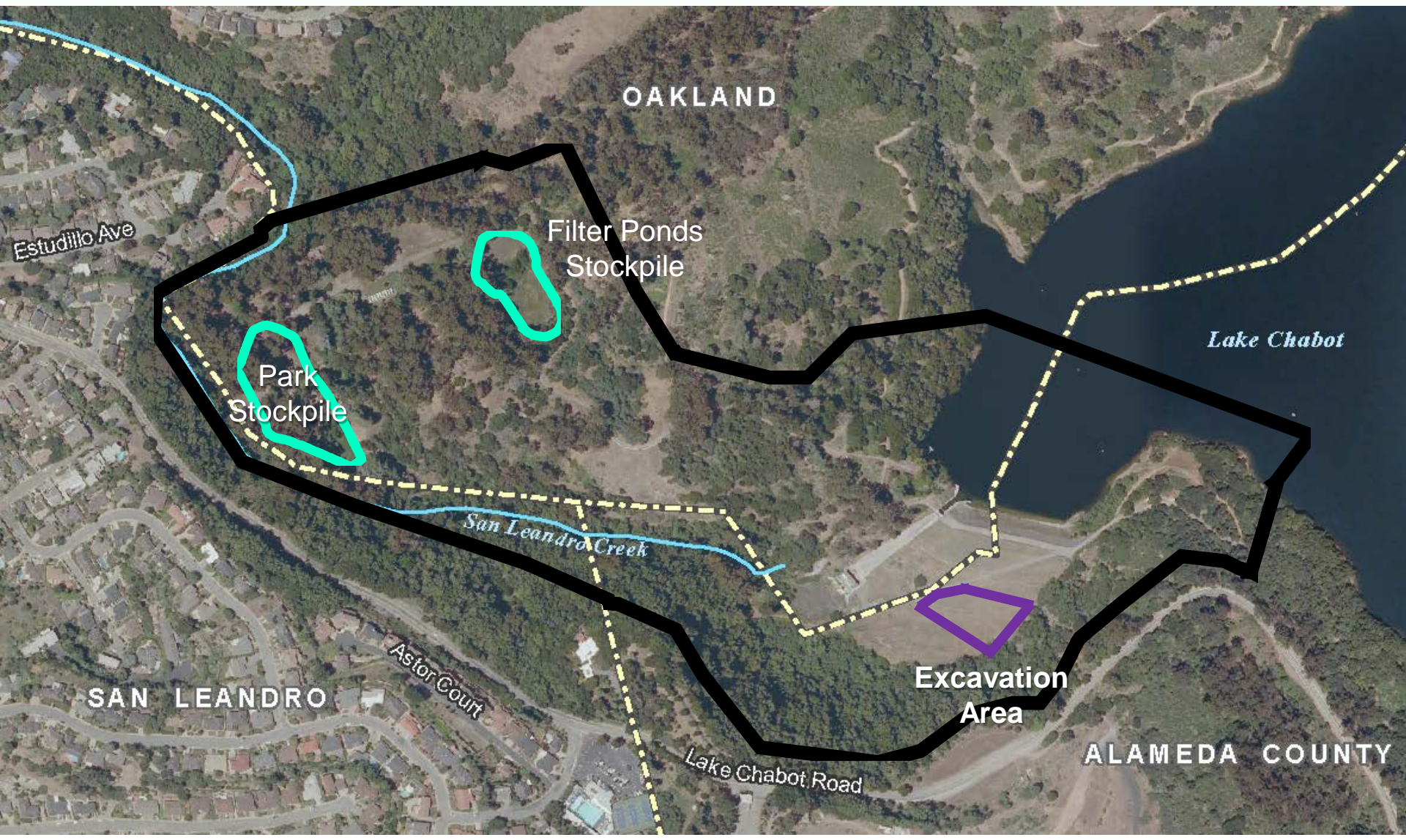
Project Overview



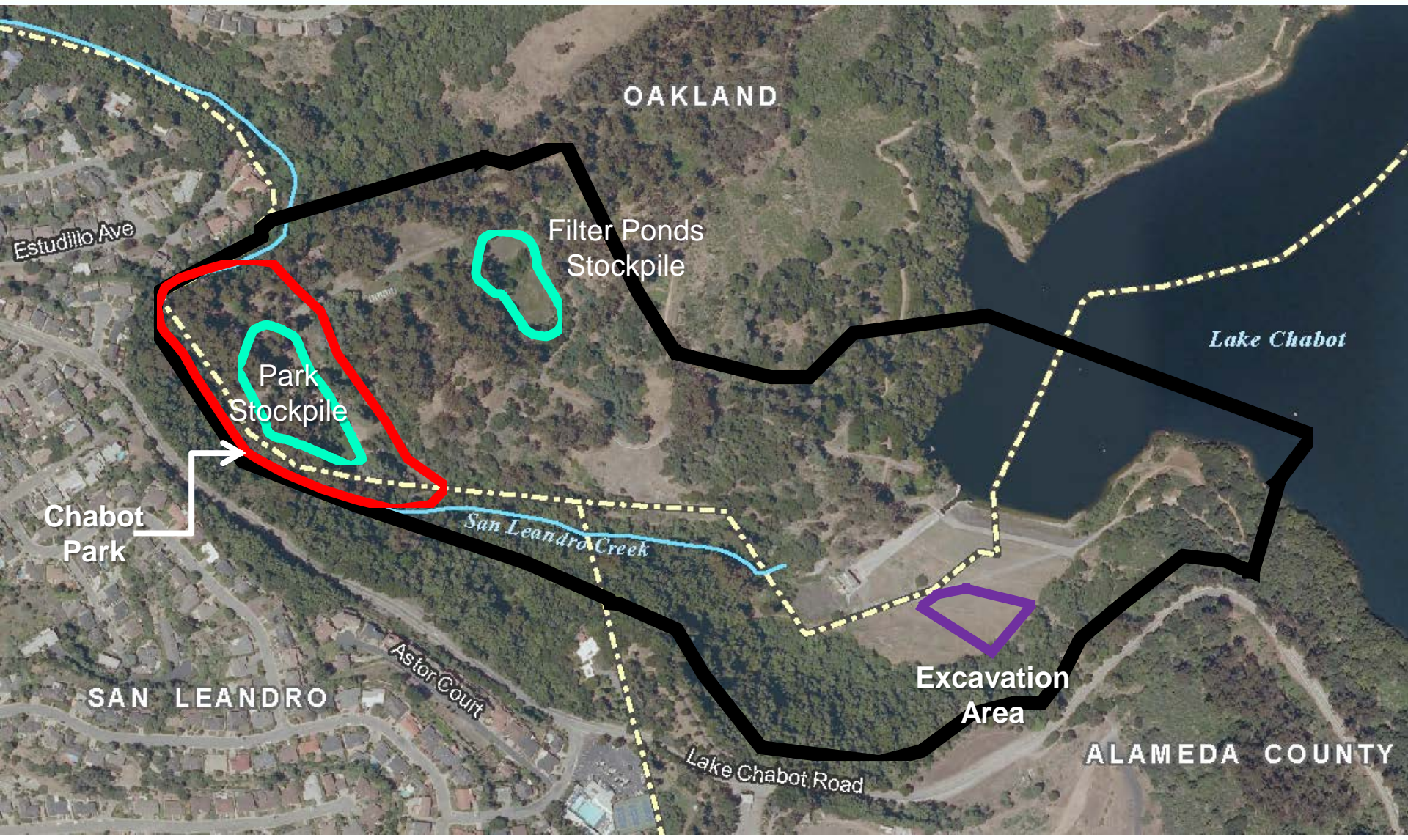
Project Overview



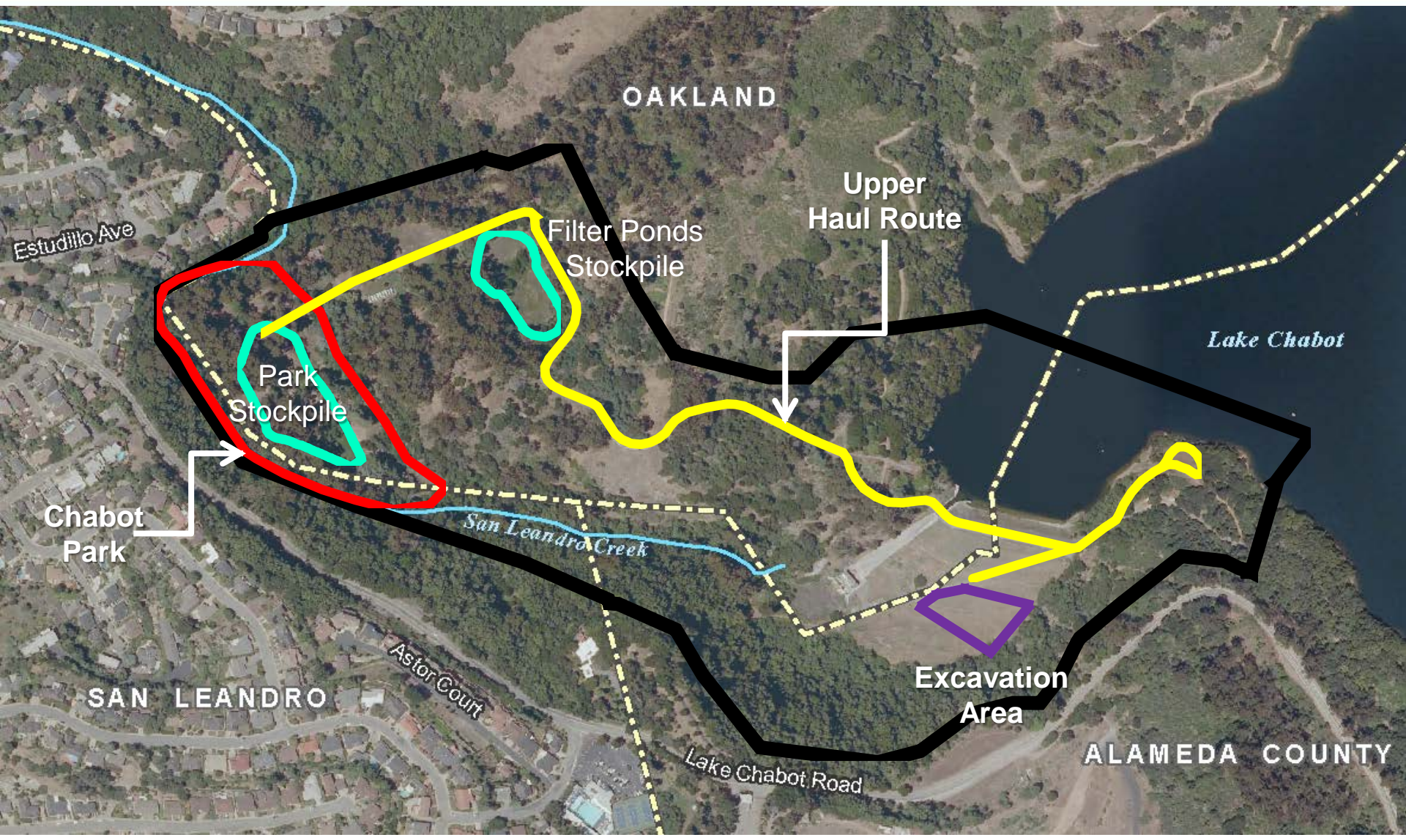
Project Overview



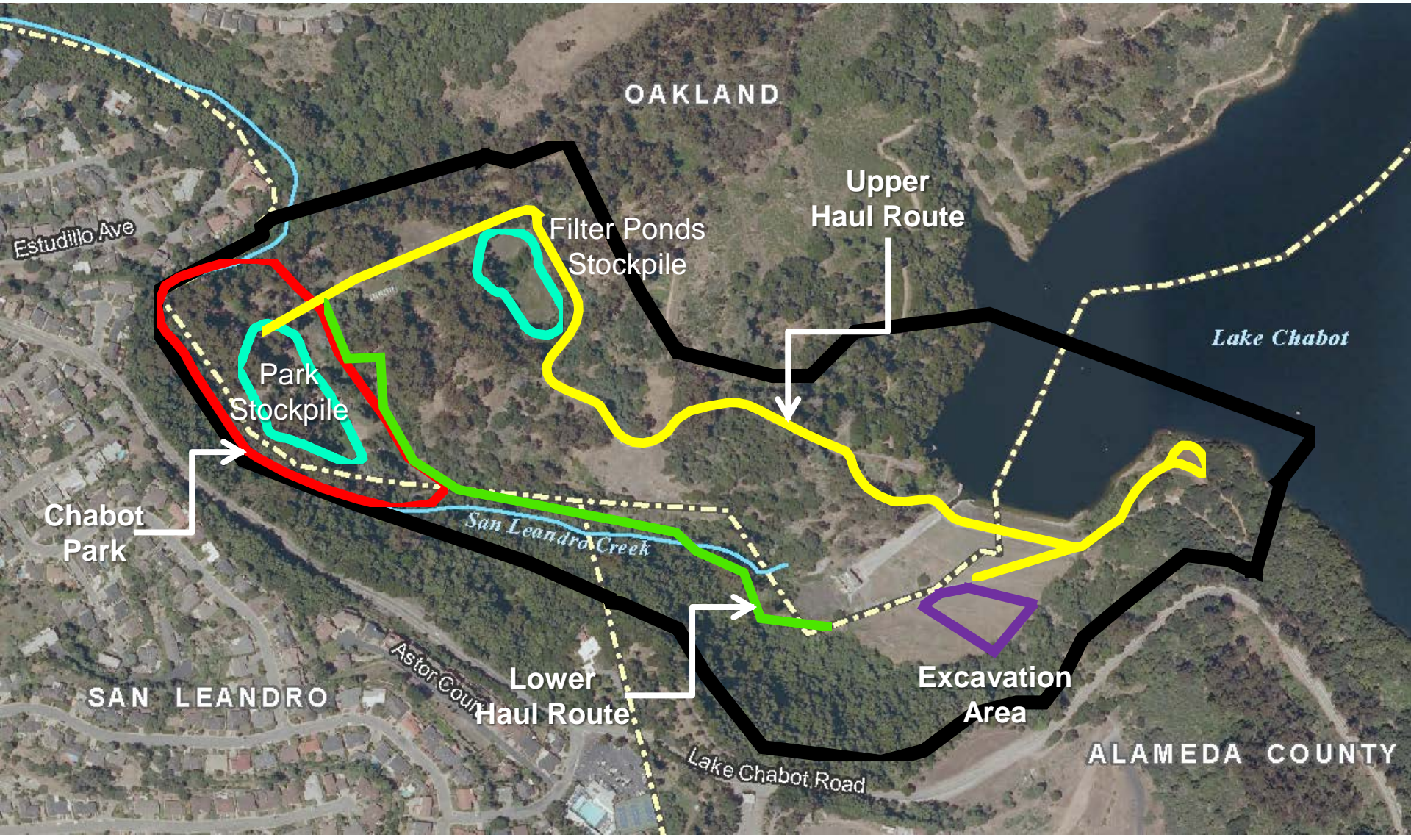
Project Overview



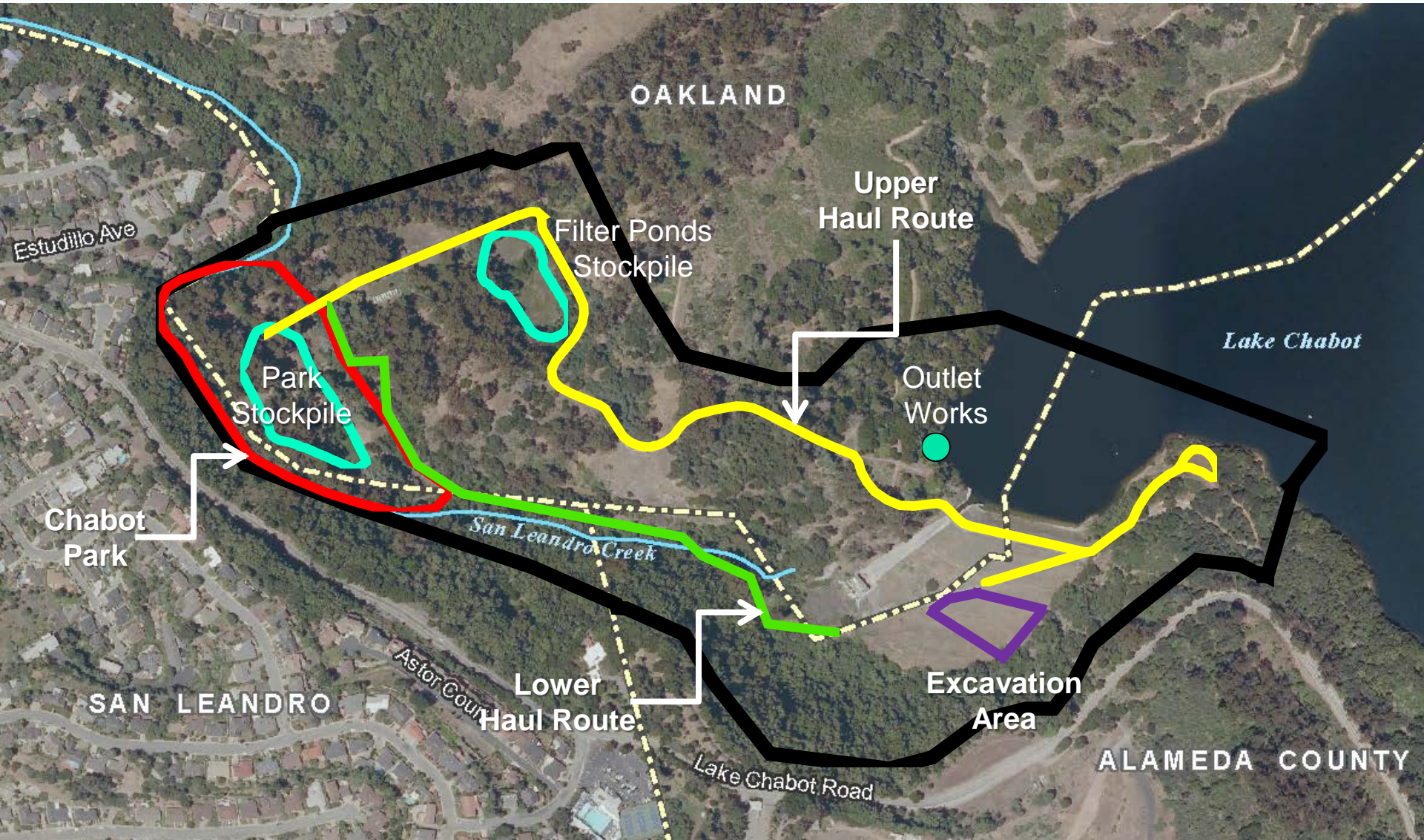
Project Overview



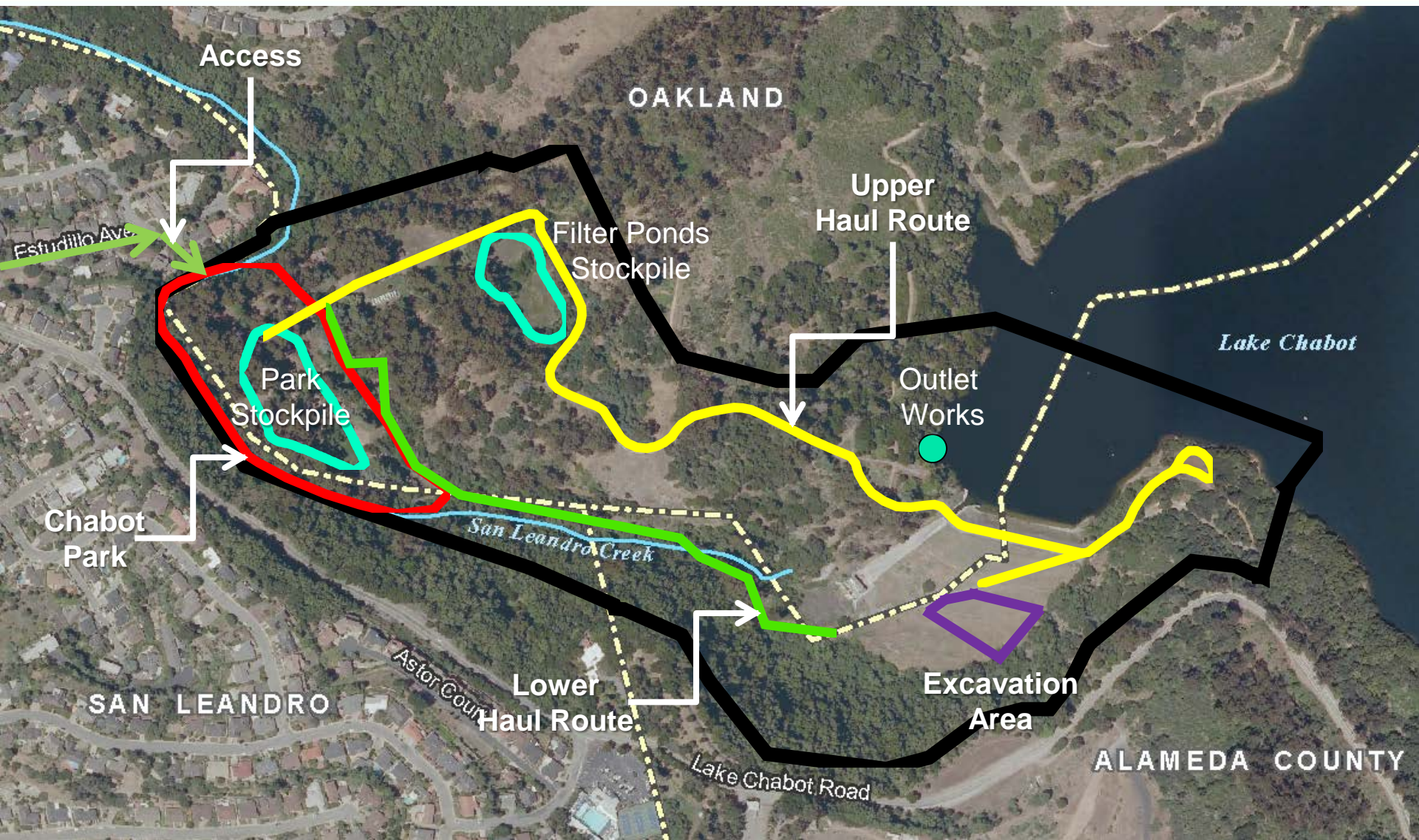
Project Overview



Project Overview



Project Overview



Outlet Tower Retrofit



Tower and pavilion could be damaged & may compromise outlet in a seismic event

Public Outreach



- 15 public agency meetings
- 3 public meetings
- Posted in Oakland Tribune
- About 800 notices mailed
- 8 letters/emails received

Issues from Public Comment



- Potential Impacts to San Leandro Creek
- San Leandro Creek Flows
- Lake Water Level
- Trail Closures
- Removal of Pavilion and Tower
- Chabot Park Restoration
- Traffic, Noise and Air Quality

Project Schedule and Cost



EIR Certification June 2014

Design Spring 2014 – Fall 2015

Construction Spring 2016 – end of 2016

Total Project Cost Estimate - \$19 million

Recommended Actions



- **Certify the adequacy of the Final EIR for the Chabot Dam Seismic Upgrade Project.**
- **Adopt Findings and Statement of Overriding Considerations in accordance with CEQA.**
- **Authorize implementation of the Project using Cement Deep Soil Mixing and adopt the Mitigation, Monitoring, and Reporting Program.**



Review of Retirement Board Activities Calendar Year 2013 to March 2014

Board of Directors Meeting
June 10, 2014

Agenda



- Administration
- Investment Management
- Liability Management

Administration



- Elections and appointments
- Cost of living adjustment
- Low income adjustments
- Rate of interest
- Financial statements

• Investment Performance for 2013

- Q1 — 6.3% (January – March 2013)
- Q2 — 1.3% (April – June 2013)
- Q3 — 5.9% (July – September 2013)
- Q4 — 7.0% (September – December 2013)
- 2013 Annual Return 22.0% (Median Public Fund had 15.8% Return)
- EBMUD Portfolio Value as of December 31, 2013 was approximately \$1.3 billion, which was an increase of \$223.2 million in calendar year 2013.

- **Asset Liability Study (ALS)**
 - March 2013 – Decision on type of ALS
 - May 2013 – Education on potential new asset classes to be introduced in ALS
 - July 2013 – Primer on how to use the ALS
 - September 2013 – Review of ALS and determination of updated Asset Allocation Strategy

Asset Allocation Policy



ASSET CLASS	FORMER POLICY TARGET	NEW POLICY TARGET
Domestic Equity	50%	40%
International Equity	20%	15%
Fixed Income	25%	—
Core Fixed Income	—	10%
Non-Core Fixed Income	—	10%
Real Estate	5%	5%
Covered Calls	—	20%
TOTAL	100%	100%

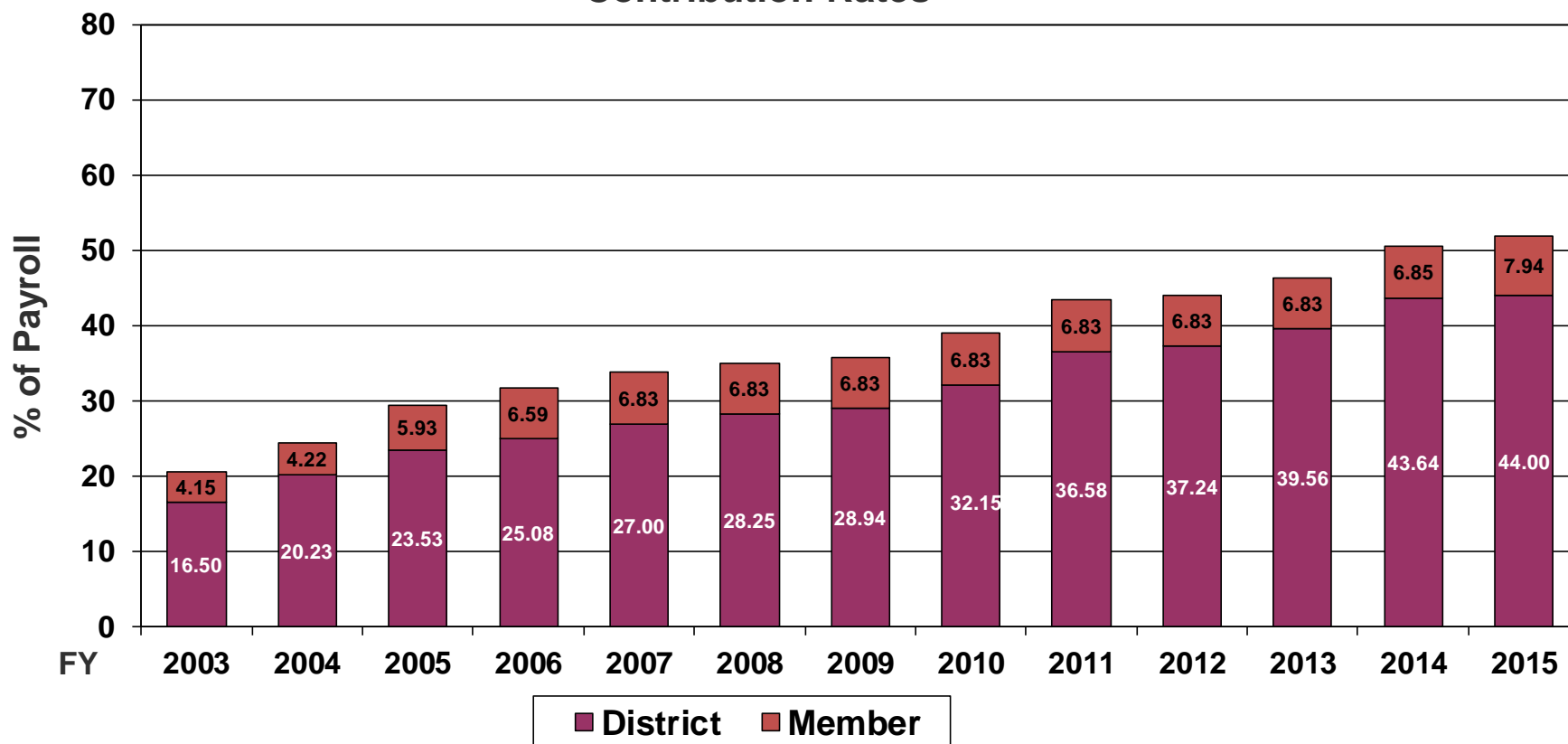
- **Implementing Asset Allocation Changes**
 - November 2013 – Selected two investment managers to implement new Covered Calls strategy
 - January 2014 – Selected current fixed income manager to also implement new Non-Core Fixed Income strategy

- **Actuarial Valuations – Fiscal Year End 2013**
 - Market Value
 - Ratio of Market Value of Assets to Projected Benefit Obligations
 - 1980 Plan and 2013 Plan Tiers Contribution Rates

Retirement System Contribution Rates (Includes Pension & HIB)



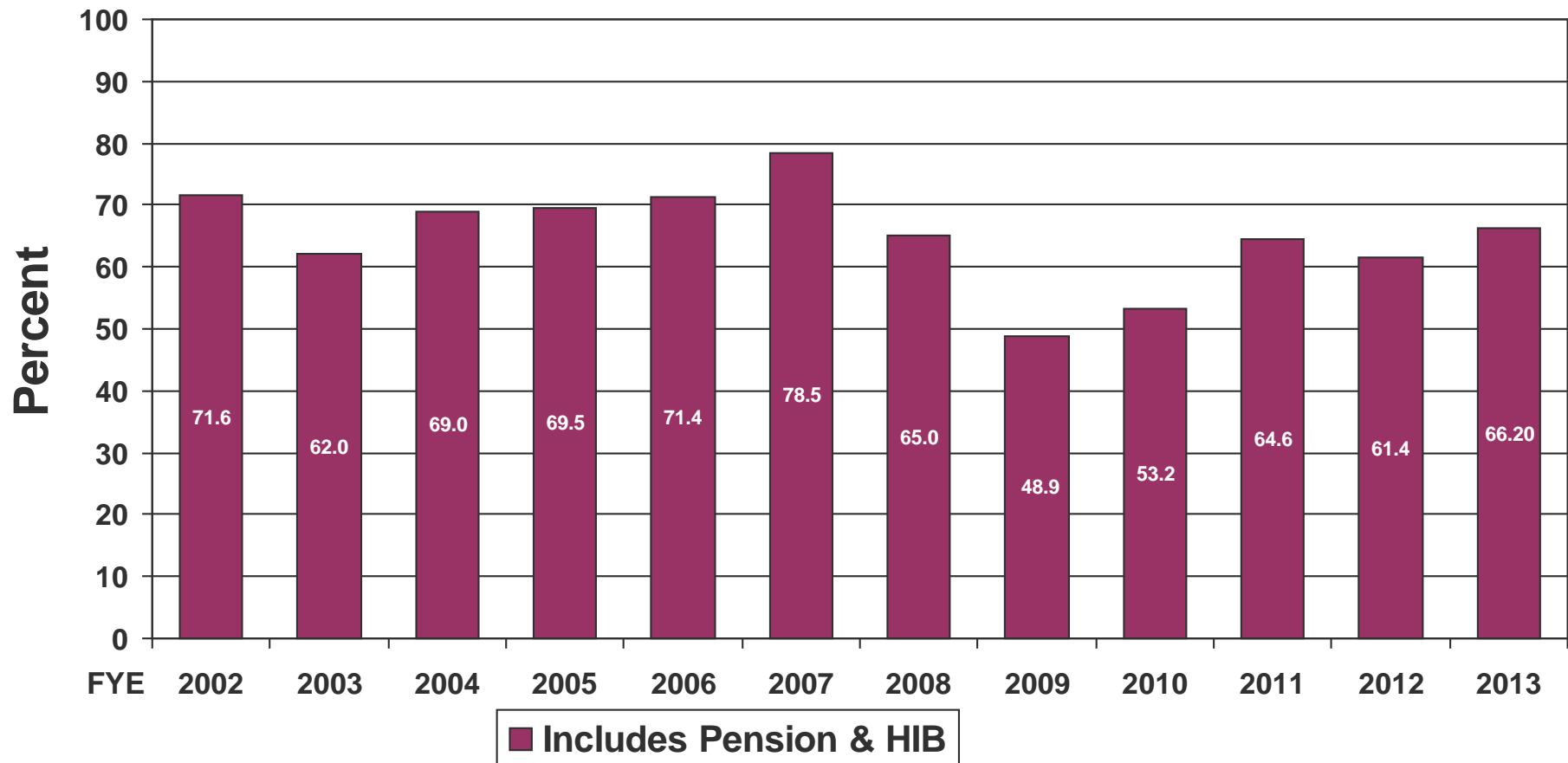
Contribution Rates*



* 2014 and 2015 Combine 1980 Plan and 2013 Plan Tiers

Source: Actuarial Valuation and Review of Pension Plan and Health Insurance Benefit Plan as of June 30, 2013 Supplemental Exhibits, Exhibit A

Market Value of Assets As Percent of Projected Benefit Obligations



Source: Actuarial Valuation and Review of Pension Plan and Health Insurance Benefit Plan as of June 30, 2013 Supplemental Exhibits, Exhibit B

Summary



- Busy year for Retirement Board
- Challenging investment environment
- Improved Funding Status
- Increasing contribution rates

Water Supply Update and Drought Management Update

Water Operations Department

June 10, 2014

Water Year 2014 Runoff



Actual Runoff Received	250 TAF
+ Projected Runoff To-Come	10 to 20 TAF

Total WY 2014 Runoff	260 to 270 TAF
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Water Year 2014 Storage



Runoff	Total System Storage* (no May and June supplemental supply)	Total System Storage* (with May and June supplemental supply)
260 to 270 TAF	420 to 425 TAF	435 to 440 TAF

*Projected storage on September 30, 2014

Mokelumne River Curtailment



- State Water Resources Control Board letter received June 2, 2014
- Immediate curtailment of diversions from Sacramento and San Joaquin River watersheds
- Affects post-1914 appropriative rights
- Expected storage reduced by up to 5,000 acre-feet



Freeport Regional Water Project

Supplemental Supply



Month	Volume (AF)	Purpose
April	6,600	Fish Monitoring and System Testing
May	6,800	Supplemental Supply
June (projected)	6,400	Supplemental Supply
July (projected)	2,800	Supplemental Supply
	~22,600 acre-feet	

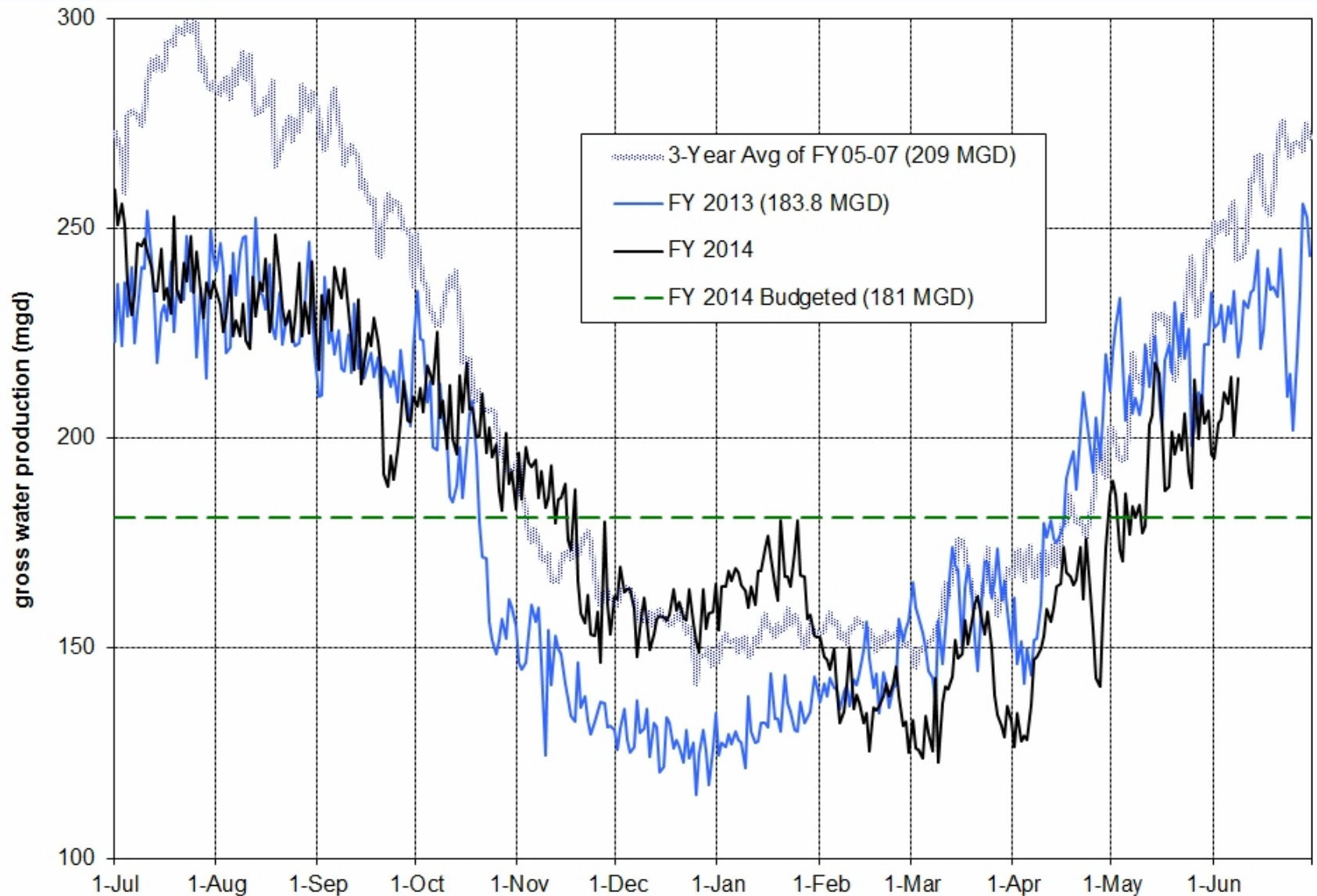
Water Year 2014 Review



- Rainfall Year 2014 is the 2nd driest year in the Mokelumne River watershed
- 1% of the precipitation accumulation season remains
- Received about 250,000 acre-feet of runoff to date
- Projected end of September storage is 435,000 to 440,000 acre-feet



Current Gross Water Production



Drought Management Update



	Feb	March	April	May	June
Avg Demand - 2013	146	159	181	217	228
Avg Demand - 2014	136	141	155	194	207
Savings Goal	15	16	18	22	23
Actual Savings	10	18	26	23	21
Actual Savings Rate	7%	11%	14%	11%	9%

*Values in million gallons per day

Drought Planning



Supplemental Supply



Customer Conservation

A Community Effort
to Manage the Drought!

Water Shortage Action Plan

June 10, 2014

Water Shortage Action Plan



- Conducting conservation outreach to sustain, at minimum, a 10% use reduction.
- Report to the state on the water use reductions achieved.
- Continue actions to prepare for prolonged drought.

Public Outreach Goals



- Thank routine conservers
- Support and encourage customers to continue their voluntary cutbacks
- Give specific information to customer classes about what they can do
- Offer free devices and technical assistance to help customers conserve

Water Shortage

Key Topics and Tools



Topics

- Seasonal tips
- Leak repair
- Drought-tolerant landscaping
- Landscape conversions

Tools

- Bill messages
- Pipeline stories
- Web updates
- Facility posters
- Bumper stickers

Summer Conservation Activities



- Continuing outreach on leaks and summer outdoor water use
- Distributing drought tent cards, stickers, field signs about flushing, etc.
- Refreshing website information as needed
- Conducting conservation workshops

Current Conservation Priorities



- HOA and multi-family units outreach
- WaterSmart business outreach
- Workshops, events and speaking engagements

Ongoing Conservation Services



- Web and print information
- Free home survey kits
- Free water saving devices
- Commercial and residential landscape water budgets
- Conservation rebate offers

EAST BAY MUNICIPAL UTILITY DISTRICT

water SMART Home Water Use Calculator


Thank you for participating in our Single Family Water Budget Program. The following is your customized water usage profiles for the last two years. The graphical description compares your measured water usage versus your budgeted water usage for each billing period. The purpose of the budget program is to show customers how efficiently water is being used inside and outside the home.

Customer Name: Charles Bohlig
Service Address: 47 Bates Bl
City: Oxnard
Acreage #: 13050400001
Meter #: 92841187
Est. Irrigated Area(s) (I): 3103
Household occupants: 4
Base Household use: 200

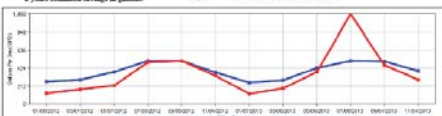
Water Budget Summary

	Used	Budgeted
Gallons used last 12 months	103,548	142,891
Gallons used previous year	114,444	142,896
Percent of budget last 12 months	105%	
Percent of budget for previous year	80%	
2 years estimated savings in gallons:	31,317	

Irrigated Area at 47 Bates Bl



Water Usage Profile



Billing Month	Budget (GPD)	Consumption (GPD)	Consumption (GPD) %
01/08/12	287	291	101
02/08/12	287	291	101
03/08/12	287	291	101
04/08/12	287	291	101
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05/30/34	287	291	101
06/30/34	287	291	101
07/30/34	287	291	101
08/30/34	287	291	101
09/30/34	287	291	101
10/30/34	287	291	101
11/30/34	287	291	101
12/30/34	287	291	101
01/31/35	287	291	101
02/31/35	287	291	101
03/31/35	287	291	101
04/31/35	287	291	101
05/31/35	287	291	101
06/31/35	287	291	101
07/31/35	287	291	1

Conservation by EBMUD



- Follow-up on District facility audits
- Continue outreach to employees
- Expand leak detection



Preparing for a Prolonged Drought, If Necessary

- Board discussions of budget and rate implications of prolonged drought
- More conservation
- More supplies via Freeport facilities

