



EAST BAY MUNICIPAL UTILITY DISTRICT

CONTINUING DISCLOSURE INFORMATION STATEMENT  
(Operating and Financial Data Provided in Addition to  
Audited Financial Statements Separately Filed)

FISCAL YEAR 2015

The date of this information statement is as of June 30, 2015, except as specifically noted herein.

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**EAST BAY MUNICIPAL UTILITY DISTRICT**  
**CONTINUING DISCLOSURE INFORMATION STATEMENT**  
(OPERATING AND FINANCIAL DATA PROVIDED IN ADDITION TO  
AUDITED FINANCIAL STATEMENTS SEPARATELY FILED)

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**GENERAL INFORMATION AND PURPOSE**

The purpose of this document is to provide information about the East Bay Municipal Utility District (the “District”). The information in this Continuing Disclosure Information Statement is provided in order to comply with the District’s contractual commitment established by certain continuing disclosure undertakings of the District, entered into in accordance with Securities and Exchange Commission Rule 15c2-12 (the “Rule”), to provide certain information specified therein. Certain information in this Continuing Disclosure Information Statement is not required to be provided by the District’s continuing disclosure undertakings. By providing such information, the District does not undertake or agree to provide such information in any future year. The District makes no representation that this Continuing Disclosure Information Statement contains all information material to a decision to purchase or sell any of the District’s bonds.

The information set forth herein has been furnished by the District and includes information obtained from other sources, which are believed to be reliable. Any statements herein involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that such opinion or estimates will be realized. The information and expressions of opinion contained in this Continuing Disclosure Information Statement are provided as of the respective dates specified herein and are subject to change without notice, and the filing of this Continuing Disclosure Information Statement shall not, under any circumstances, create any implication that there has been no change in the affairs of the District or in the other matters described herein since the date as of which such information is provided. The District reserves the right to amend this information at any time.

Investors may obtain further information about the District by obtaining a copy of the District’s most recent official statement from the Municipal Securities Rulemaking Board at <http://emma.msrb.org/>. Information requests may also be directed to:

Director of Finance  
East Bay Municipal Utility District  
375 Eleventh Street  
Oakland, California 94607-4240  
Phone: (510) 287-0310

## EAST BAY MUNICIPAL UTILITY DISTRICT

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This information statement provides information about the East Bay Municipal Utility District. Generally, this document relates to debt issued by the District under three security structures:

- **General Obligation Bonds**
- **Water System Revenue Bonds**
- **Wastewater System Revenue Bonds**

As of September 15, 2010, the District covenanted and agreed that it will not in the future issue any additional senior lien water system revenue bonds or senior lien wastewater system revenue bonds previously issued under the District's Senior Water Bond Resolution and Senior Wastewater Bond Resolution, respectively. Certain of the District's bonds that were once designated as Water System Subordinated Revenue Bonds and Wastewater System Subordinated Revenue Bonds, respectively, are now referred to as Water System Revenue Bonds and Wastewater System Revenue Bonds, respectively, in order to reflect that the lien of the prior senior lien water system revenue bonds and prior senior lien wastewater system revenue bonds has been closed. There are no senior lien water system revenue bonds or senior lien wastewater system revenue bonds remaining outstanding.

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## EAST BAY MUNICIPAL UTILITY DISTRICT

### Debt Outstanding

The following Table 1 summarizes the District's Water System outstanding long-term debt. All information is presented as of June 30, 2015.

**TABLE 1: SUMMARY OF WATER SYSTEM DEBT OUTSTANDING**

<i>Issue</i>	<i>Date of Issue</i>	<i>Last Maturity</i>	<i>Amount Issued</i>	<i>Outstanding June 30, 2015</i>
<b>Water System Revenue Bonds</b>				
Revenue Refunding Bonds, Series 2007B	5/23/07	6/01/19	\$ 54,790,000	\$ 24,940,000
Revenue Refunding Bonds, Series 2008A <sup>(1)</sup>	3/20/08	6/01/38	322,525,000	105,250,000
Revenue/Refunding Bonds, Series 2010A	2/03/10	6/01/36	192,830,000	185,700,000
Revenue Bonds, Series 2010B (Build America Bonds)	2/23/10	6/01/40	400,000,000	400,000,000
Revenue Refunding Bonds, Series 2012A	10/10/12	6/01/37	191,750,000	191,750,000
Revenue Refunding Bonds, Series 2012B	11/13/12	6/01/26	358,620,000	312,250,000
Revenue Refunding Bonds, Series 2013A	3/05/13	6/01/21	48,670,000	40,015,000
Revenue Refunding Bonds, Series 2014A	6/11/14	6/01/35	128,315,000	128,315,000
Revenue Refunding Bonds, Series 2014B	6/11/14	6/01/30	242,730,000	242,100,000
Revenue Bonds, Series 2014C	6/26/14	6/01/44	75,000,000	75,000,000
Revenue Refunding Bonds, Series 2015A	3/03/15	6/01/37	429,360,000	429,360,000
Revenue Bonds, Series 2015B (Green Bonds)	6/17/15	6/01/45	74,335,000	74,335,000
Revenue Bonds, Series 2015C	6/17/15	6/01/45	<u>110,715,000</u>	<u>110,715,000</u>
Total Water System Revenue Bonds			\$2,629,640,000	\$2,319,730,000
<b>Parity Debt:</b>				
Safe Drinking Water State Revolving Fund Loan (Upper San Leandro Reservoir)	1/01/03	1/01/24	2,188,000	1,064,423 <sup>(2)</sup>
State Water Resources Control Board Loan (East Bayshore Recycled Water Project)	5/22/08	4/01/28	<u>20,100,000</u>	<u>13,931,832</u>
Total Parity State Loans			\$ 22,288,000	\$ 14,996,255
<b>Subordinate Debt:</b>				
Commercial Paper Notes (Water Series)	Various	Various	<u>359,800,000<sup>(3)</sup></u>	<u>359,800,000</u>
Total Debt			<u>\$3,011,728,000</u>	<u>\$2,694,526,255</u>

<sup>(1)</sup> Liquidity support currently provided by Standby Bond Purchase Agreements with Wells Fargo Bank, National Association (Series 2008A-1 Bonds and Series 2008A-4 Bonds, expiring December 9, 2016) and U.S. Bank National Association (Series 2008A-2 and Series 2008A-3 Bonds, expiring July 2, 2018). The District has entered into interest rate swap agreements that provide a hedge for the Series 2008A Bonds.

<sup>(2)</sup> Reflects July 1, 2015 payment made in Fiscal Year 2014-15.

<sup>(3)</sup> Commercial paper notes may be issued by the District in an amount up to the statutory limit described herein.

Source: The District.

## EAST BAY MUNICIPAL UTILITY DISTRICT

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The following Table 2 summarizes the District's Wastewater System outstanding long-term debt. All information is presented as of June 30, 2015.

**TABLE 2: SUMMARY OF WASTEWATER SYSTEM DEBT OUTSTANDING**

	<i>Date of Issue</i>	<i>Last Maturity</i>	<i>Amount Issued</i>	<i>Outstanding June 30, 2015</i>
<u>Wastewater System Revenue Bonds:</u>				
Revenue Refunding Bonds, Series 2007B	06/06/07	06/01/26	\$ 46,670,000	\$ 29,815,000
Revenue/Refunding Bonds, Series 2010A	10/20/10	06/01/29	58,095,000	46,560,000
Revenue Bonds, Series 2010B	10/20/10	06/01/40	150,000,000	150,000,000
Revenue Refunding Bonds, Series 2012A	10/10/12	06/01/37	20,000,000	20,000,000
Revenue Refunding Bonds, Series 2014A	08/28/14	06/01/31	82,150,000	80,425,000
Revenue Refunding Bonds, Series 2015A	03/03/15	06/01/38	68,370,000	68,370,000
Revenue Refunding Bonds, Series 2015B	03/03/15	06/01/30	<u>2,795,000</u>	<u>2,795,000</u>
Total Wastewater System Revenue Bonds			\$430,585,000	\$397,965,000
<u>Subordinate Debt:</u>				
Commercial Paper Notes (Wastewater Series)	Various	Various	15,000,000 <sup>(1)</sup>	15,000,000
<u>General Obligation Bonds:</u>				
Refunding Series G	02/27/14	04/01/18	<u>14,160,000</u>	<u>10,910,000</u>
<b>Total Debt</b>			<u>\$459,745,000</u>	<u>\$423,875,000</u>

<sup>(1)</sup> Commercial paper notes may be issued in an amount up to the statutory limit described herein.  
Source: The District.

### Commercial Paper Program

The District has authorized a short-term extendable commercial paper borrowing program. Under this program, the Water System or the Wastewater System may issue commercial paper notes at prevailing interest rates for periods of not more than 120 days from the date of issuance with the option by the District to extend the maturity for another 150 days. The program is not supported by any liquidity or revolving credit agreement.

As of June 30, 2015, \$374,800,000 principal amount of extendable commercial paper notes was outstanding under the District's extendable commercial paper program, consisting of \$359,800,000 of Extendable Municipal Commercial Paper Notes (Water Series) and \$15,000,000 of Extendable Municipal Commercial Paper Notes (Wastewater Series), with an average weighted remaining life to maturity of 43 days.

During Fiscal Year 2016, the District authorized a traditional commercial paper program as an additional or alternative short-term borrowing mechanism. Commercial paper notes under the traditional commercial paper program may be issued for the Water System ("Commercial Paper Notes (Water Series)") or the Wastewater System ("Commercial Paper Notes (Wastewater Series)") at prevailing interest rates for periods of not more than 270 days from the date of issuance. The District has secured liquidity arrangements from various banking institutions in order to provide an additional source of repayment for commercial paper notes issued pursuant to its traditional commercial paper program. The District has provided for the issuance of Commercial Paper Notes (Water Series) under its traditional commercial paper program for the purpose of refinancing and retiring all of its \$359,800,000 Extendable

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Municipal Commercial Paper Notes (Water Series). Upon the issuance of such Commercial Paper Notes (Water Series) under the newly established traditional commercial paper program, no Extendable Municipal Commercial Paper Notes (Water Series) will remain outstanding.

Short-term indebtedness (including commercial paper notes under either of the above-mentioned programs, and/or other forms of bonds, notes or other evidences of short-term indebtedness, including bank credit) may be issued by the District under the authority of Chapter 7.5 of the Municipal District Act in a maximum aggregate principal amount outstanding at any one time of up to the lesser of either (1) the annual average of the total revenue for the three preceding years or, (2) 25% of the District's outstanding bonds. As of June 30, 2015, this limit was determined to be approximately \$522,000,000.

The Water System and the Wastewater System commercial paper notes are payable from and secured by a pledge of the respective System's revenues on a basis subordinate to the Water System and Wastewater System revenue bonds.

The proceeds of the District's commercial paper notes may be used to finance or refinance the costs of (i) the planning, design, engineering, acquisition or construction of facilities for the storage, transmission or distribution of water; the storage, transmission or treatment of sewage or byproducts of sewage treatment; or the generation or transmission of electricity, (ii) the replacement of works of the District that have been damaged or demolished by reason of fire, flood, earthquake, sabotage or acts of God or the public enemy, (iii) any expenses or charges incurred in connection with the foregoing purposes and to reimburse the District for expenditures for any such purposes, or for the purpose of paying commercial paper notes issued for the foregoing purposes. There were no unused proceeds on June 30, 2015.

### **Investment Policy**

The District's investment policy can be summarized as follows:

Funds of the District are invested in accordance with the Government Code of the State of California, the Municipal Utility District Act and the District's Investment Policy. Investments shall be in securities with a range of maturities to provide a high rate of return on investments while providing adequate security and liquidity to pay demands when due. Criteria for selecting investments, in order of priority, are:

1. *Safety* - The District's ability to recover principal and interest. Investments shall be made that will seek to insure the preservation of principal and interest and minimize the risk to the greatest extent possible. It is the primary duty of the Treasurer to protect, preserve and maintain cash on behalf of the District.
2. *Liquidity* - The District's ability to have cash available when needed to support expenditure cycles and budgetary objectives. The average maturity of the portfolio shall not exceed 720 days in order to balance liquidity and yields. No single investment can have a maturity of more than 5 years or, in the case of California municipal bonds, must have a put option within 5 years of the date of purchase.
3. *Yield* - Ability to provide maximum return on the District's investments while conforming to the safety and liquidity criteria above.
4. *Diversity* - Ability to maintain a broad investment portfolio for the District. In order to accomplish this, no more than 40% of the total cash portfolio shall be invested in any one

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type of security. Other than federally backed securities, no more than 10% of the total cash portfolio will be invested in any one investment issue, and no more than 10% with any one issuer.

### **Investment Options**

The following are investment options for the District under the Government Code of the State of California.

1. US Treasury Notes, Bonds and Bills
2. The State of California Local Agency Investment Fund
3. Obligations issued by Federal Agencies
4. Banker's Acceptances
5. Commercial Paper
6. Medium Term Corporate Notes
7. Collateralized Repurchase Agreements
8. Certificates of Time Deposit
9. Negotiable Certificates of Deposit
10. Money Market Mutual Funds
11. California Municipal Bonds
12. California Asset Management Program (CAMP)

The District does not enter into reverse repurchase agreements or otherwise borrow for purposes of investing. The District does not invest in highly volatile derivatives and other such securities. Pursuant to the District's investment policy, all securities purchased from dealers and brokers are held in safekeeping by the trust department of a state or national bank on a payment vs. delivery basis. Collateral is delivered or assigned under a tri-party agreement for all repurchase agreements. Trade confirmations are reviewed for conformity to the original transaction by an individual other than the one who originated the transaction. Transactions are ratified by the General Manager and reported quarterly to the Finance/Administration Committee of the District's Board of Directors.



## EAST BAY MUNICIPAL UTILITY DISTRICT

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### District Population

The District occupies approximately 332 square miles in 20 incorporated and 15 unincorporated communities in both Alameda and Contra Costa Counties. It covers the eastern shore of San Francisco Bay from Carquinez Strait in the north to and including San Lorenzo in the south and it extends approximately 20 miles east, beyond the Oakland-Berkeley hills, into Contra Costa County.

The District's Water System serves this entire area, reaching approximately 1.4 million people, or approximately 53% of the combined population of Alameda County and Contra Costa County. The District's Wastewater System treats and disposes of the wastewater from an area within the District designated as Special District No. 1, serving approximately 680,000 people in an approximately 88 square mile area of the two counties, extending from Richmond in the north, southward to San Leandro.

Table 3 shows the population trends for the six largest cities in the District, Alameda and Contra Costa Counties and the State for the five years 2011 to 2015.

**TABLE 3: DISTRICT WATER SYSTEM SIX LARGEST CITIES  
ALAMEDA, CONTRA COSTA COUNTIES AND CALIFORNIA  
POPULATION TRENDS<sup>(1)</sup>**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Oakland	392,446	395,690	401,628	405,703	410,603
Berkeley	113,918	114,807	116,118	117,383	118,780
Richmond	104,388	104,639	105,530	106,388	107,346
San Leandro	85,354	86,029	86,981	87,661	88,441
Alameda	74,044	74,619	75,395	75,961	76,638
Walnut Creek	64,710	65,071	65,652	66,319	66,868
Total Six Cities	834,860	840,855	851,304	859,415	868,676
Alameda County	1,517,756	1,532,253	1,555,241	1,574,497	1,594,569
Contra Costa County	1,056,306	1,062,746	1,074,317	1,089,219	1,102,871
California	37,427,946	37,680,593	38,030,609	38,357,121	38,714,725

<sup>(1)</sup> As of January 1 of each year.

Source: State of California, Department of Finance, *E-4 Population Estimates for Cities, Counties and the State, 2011-2015, with 2010 Census Benchmark*. Sacramento, California, May 2015.

## EAST BAY MUNICIPAL UTILITY DISTRICT

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Table 4 shows the population trends for the seven largest cities within the District’s Wastewater System service area, Alameda and Contra Costa Counties and the State for the five years 2011 to 2015. The District’s Wastewater System treats domestic, commercial and industrial wastewater for the six cities of Alameda, Albany, Berkeley, Emeryville, Oakland and Piedmont (the “six participating cities”), and for the Stege Sanitary District, which includes El Cerrito, Kensington and part of Richmond.

**TABLE 4: SEVEN LARGEST CITIES IN DISTRICT WASTEWATER SYSTEM SERVICE AREA  
ALAMEDA, CONTRA COSTA COUNTIES AND CALIFORNIA  
POPULATION TRENDS<sup>(1)</sup>**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Oakland	392,446	395,690	401,628	405,703	410,603
Berkeley	113,918	114,807	116,118	117,383	118,780
Alameda	74,044	74,619	75,395	75,961	76,638
El Cerrito	23,646	23,707	23,885	24,115	24,288
Albany	18,343	18,481	18,483	18,457	18,565
Piedmont	10,708	10,801	10,925	11,011	11,113
Emeryville	10,108	10,194	10,302	10,481	10,570
Total Seven Cities	643,213	648,299	656,736	663,111	670,557
Alameda County	1,517,756	1,532,253	1,555,241	1,574,497	1,594,569
Contra Costa County	1,056,306	1,062,746	1,074,317	1,089,219	1,102,871
California	37,427,946	37,680,593	38,030,609	38,357,121	38,714,725

<sup>(1)</sup> As of January 1 of each year. Includes the six participating cities and El Cerrito, the largest incorporated portion of the Stege Sanitary District service area.

Source: State of California, Department of Finance, *E-4 Population Estimates for Cities, Counties and the State – 2011-2015, with 2010 Census Benchmark*. Sacramento, California, May 2015.

**EAST BAY MUNICIPAL UTILITY DISTRICT**

**Taxable Property/Assessed Valuations**

Table 5 shows a five-year record of assessed valuations, secured roll levies and delinquencies for the taxable property included within the District.

**TABLE 5: TAXABLE PROPERTY WITHIN THE WATER SYSTEM  
ASSESSED VALUATION AND TAX COLLECTION RECORD**

<b>Fiscal Year</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>ASSESSED VALUATION FOR TAXATION PURPOSES<sup>(1)</sup></b>					
Alameda County	\$ 92,498,938,097	\$ 94,461,089,218	\$ 98,956,612,301	\$103,645,001,482 <sup>(3)</sup>	\$112,041,019,464
Contra Costa County <sup>(2)</sup>	<u>79,597,672,310</u>	<u>81,219,124,927</u>	<u>83,087,433,870</u>	<u>89,671,760,809</u>	<u>96,462,650,792</u>
TOTAL	\$172,096,610,407	\$175,680,214,145	\$182,044,046,171	\$193,316,762,291	\$208,503,670,256
<b>COUNTY 1% ALLOCATED PROPERTY TAX REVENUES TO DISTRICT<sup>(4)</sup></b>					
Alameda County	\$11,404,014	\$12,463,643	\$14,417,608	\$13,669,336	\$14,943,333
Contra Costa County	<u>10,831,553</u>	<u>10,921,960</u>	<u>12,018,366</u>	<u>11,823,055</u>	<u>12,978,787</u>
TOTAL	\$22,235,567	\$23,385,603	\$26,435,974	\$25,492,391	\$27,922,120
<b>DELINQUENCIES<sup>(5)</sup></b>					
Delinquent June 30					
Amount	\$377,242	\$353,191	\$260,612	\$211,831	\$198,418
Percent	1.70%	1.51%	0.99%	0.83%	0.71%

<sup>(1)</sup> Net of all exemptions except homeowner's exemptions, the taxes on which are paid by the State. All valuations are stated on a 100% of full cash value basis as defined by law. Assessed valuations shown include redevelopment project area incremental valuations.

<sup>(2)</sup> Minor differences in Contra Costa assessed valuation numbers from amounts previously reported due to a change in source data used.

<sup>(3)</sup> Difference from number shown in continuing disclosure information statement for Fiscal Year 2014 due to prior typographical error and rounding.

<sup>(4)</sup> Net basis excluding all exemptions. Levies reflect the tax reductions effected by the adoption of Article XIII A of the State Constitution in 1978, the "Jarvis-Gann Initiative." For Alameda County, receipts include District's share of prior years' delinquencies when collected.

<sup>(5)</sup> Amounts apply to Alameda County only, since Contra Costa County guarantees 100% payment of the District's secured roll levy. The delinquency percentages are calculated based on the two counties' secured roll levies.

Sources: Reports of the Auditor-Controller's Offices of Alameda and Contra Costa Counties, table data as compiled by the District.

## EAST BAY MUNICIPAL UTILITY DISTRICT

Table 6 shows a five-year record of assessed valuations, secured roll levies and delinquencies for the taxable property included within Special District No. 1.

**TABLE 6: TAXABLE PROPERTY WITHIN THE WASTEWATER SYSTEM  
ASSESSED VALUATION AND TAX COLLECTION RECORD**

Fiscal Year	2011	2012	2013	2014	2015
<b>ASSESSED VALUATION FOR TAXATION PURPOSES<sup>(1)</sup></b>					
Alameda County	\$70,659,732,542	\$71,934,582,382	\$75,005,826,233	\$79,134,556,452	\$85,882,609,820
Contra Costa County <sup>(2)</sup>	<u>4,336,037,207</u>	<u>4,216,252,764</u>	<u>4,436,837,170</u>	<u>4,842,733,443</u>	<u>5,290,848,742</u>
TOTAL	\$74,995,777,554	\$76,150,842,951	\$79,442,671,208	\$83,977,290,120	\$91,173,458,562
<b>COUNTY 1% ALLOCATED PROPERTY TAX REVENUES TO DISTRICT<sup>(3)</sup></b>					
Alameda County	\$3,002,026	\$3,407,488	\$4,111,766	\$3,557,107	\$3,656,005
Contra Costa County	<u>297,289</u>	<u>290,580</u>	<u>301,272</u>	<u>973,382</u>	<u>323,779</u>
TOTAL	\$3,299,315	\$3,698,068	\$4,413,038	\$4,530,489	\$3,979,784
<b>DISTRICT G. O. BOND AD VALOREM TAX LEVY</b>					
Alameda County	\$3,819,476	\$4,340,344	\$4,712,548	\$5,054,513	\$4,254,983
Contra Costa County	<u>260,298</u>	<u>268,200</u>	<u>282,625</u>	<u>296,047</u>	<u>233,603</u>
TOTAL	\$4,079,774	\$4,608,544	\$4,995,173	\$5,350,560	\$4,488,586
<b>TOTAL PROPERTY TAX/AD VALOREM TAX REVENUES</b>					
Alameda County	\$6,821,501	\$7,747,832	\$8,824,314	\$8,611,620	\$7,910,988
Contra Costa County	<u>557,588</u>	<u>558,780</u>	<u>583,897</u>	<u>1,269,429</u>	<u>557,382</u>
TOTAL	\$7,379,089	\$8,306,612	\$9,408,211	\$9,881,049	\$8,468,370
<b>DELINQUENCIES<sup>(4)</sup></b>					
Delinquent June 30					
Amount	\$255,170	\$214,184	\$172,212	\$143,118	\$117,831
Percent	3.46%	2.58%	1.83%	1.45%	1.39%

<sup>(1)</sup> Net of all exemptions except homeowner's exemptions, the taxes on which are paid by the State. All valuations are stated on a 100% of full cash value basis as defined by law. Assessed valuations shown include redevelopment project area incremental valuations.

<sup>(2)</sup> Minor differences in Contra Costa assessed valuation numbers from amounts previously reported due to a change in source data used.

<sup>(3)</sup> Net basis excluding all exemptions. Levies reflect the tax reductions effected by the adoption of Article XIII A of the State Constitution in 1978, the "Jarvis-Gann Initiative." For Alameda County, receipts include District's share of prior years' delinquencies when collected.

<sup>(4)</sup> Amounts apply to Alameda County only, since Contra Costa County guarantees 100% payment of the District's secured roll levy. The delinquency percentages are calculated based on the two counties' secured roll levies.

Sources: Reports of the Auditor-Controller's Offices of Alameda and Contra Costa Counties, table data as compiled by the District.

**WATER SYSTEM**

**Material Changes in Water Supply**

There have been no material changes in the District's primary sources of water supply. However, the availability of these sources is impacted by California hydrology, which is highly variable from year to year. Water Year 2015 (which ended on September 30, 2015) had the driest winter in California's written records. 2015 is the fourth consecutive drought year and the seventh dry year out of the last eight in California. On April 1, 2015, Governor Jerry Brown issued Executive Order B-29-15 (the "Executive Order") to address the ongoing drought conditions in California. The Executive Order, among other things, directed the State Water Resources Control Board (the "SWRCB") to impose restrictions to achieve a statewide 25% reduction in potable urban water usage from 2013 levels through February 28, 2016. The Executive Order further called upon the SWRCB to direct urban water suppliers to develop rate structures and other pricing mechanisms, including but not limited to surcharges, fees and penalties, to maximize water conservation consistent with statewide water restrictions. On May 5, 2015, following a formal rulemaking process and public comment period, the SWRCB adopted an emergency regulation to implement the Executive Order. Under the adopted regulation, which became effective May 18, 2015, the District is subject to a 16% conservation standard as established for its per capita water usage tier classification.

On April 14, 2015, the District's Board of Directors adopted revised Drought Management Program ("DMP") Guidelines and declared a Stage 4 critical drought within the District's service area. Consistent with the approved revised DMP Guidelines, at this time the Board of Directors further adopted a mandatory District-wide water use reduction goal of 20% for all District customers. On June 9, 2015, the District's Board of Directors adopted a new system of drought surcharges using drought stages corresponding to the revised DMP Guidelines. Commencing with bills issued on and after July 1, 2015, the applicable drought surcharges for a Stage 4 drought are currently in effect for District customers. The District monitors precipitation and its reservoir levels daily. To the extent dry weather patterns persist, the District will continue to assess water supply conditions, including customer conservation patterns and reservoir levels, to determine what additional action may be warranted and manage unbudgeted pressures as necessary. Investors may obtain additional information regarding the District's water supply and its responses to ongoing dry weather conditions by obtaining a copy of the District's most recent official statement from the Municipal Securities Rulemaking Board at <http://emma.msrb.org/> or from the District's website at <http://www.ebmud.com>.

## EAST BAY MUNICIPAL UTILITY DISTRICT

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### Gross Water Production

Annual water production in the District since Fiscal Year 2006 is shown in Table 7 below. Note that this information has been re-labeled as “production” rather than “consumption” to more accurately characterize the data. Water production includes the total water produced at the District’s water treatment plants and water moved through the distribution system that was delivered to customers, as well as water lost through leaks in the transmission system, water used in the treatment process, evaporation, water used for fighting fires and other miscellaneous causes.

**TABLE 7: WATER PRODUCTION BY FISCAL YEAR<sup>(1)</sup>**

<i>Fiscal Year</i>	<i>Annual Production (Acre-Feet)</i>	<i>Annual Production (Thousands of Ccf)</i>	<i>Annual Production (Million Gallons)</i>	<i>Average Production Per Day (Million Gallons per Day)</i>
2006	236,866	103,179	77,174	211
2007	236,111	102,850	76,932	211
2008	230,363	100,346	75,059	205
2009	203,423	88,611	66,281	182
2010	195,158	85,011	63,588	174
2011	194,642	84,786	63,420	174
2012	200,220	87,216	65,242	178
2013	205,889	89,685	67,089	184
2014	209,467	91,244	68,255	184
2015	174,411	75,974	56,832	156

<sup>(1)</sup> Water production includes water lost through leaks in the transmission system, used in the treatment process, evaporation, fighting fires and other miscellaneous causes, which approximates 10.0% of gross production.

Source: The District.

### Sources of Funds/Summary of Revenues and Contributions

The following Table 8 sets forth the District’s Water System sources of funds for the five most recent Fiscal Years ended June 30, 2015. The sources of funds in the table below include certain funds which do not constitute Subordinated Water Revenues for purposes of the Indenture. Subordinated Water Revenues include all charges received for, and all other income and receipts derived by the District from, the operation of the Water System or arising from the Water System, which includes, without limitation, the District’s water rates, system capacity charge and seismic surcharge, as well as investment income. Property taxes are applied to reduce Operation and Maintenance Costs and are not pledged to the repayment of the Water System Revenue Bonds. Contributions received for facility relocations, main extensions and service installations, and grants and other reimbursements, which are restricted to use for the specified purposes are not included in Subordinated Water Revenues for purposes of the Indenture. Only Subordinated Water Revenues are pledged to the payment of the Water System Revenue Bonds.

**EAST BAY MUNICIPAL UTILITY DISTRICT**

**TABLE 8: WATER SYSTEM SOURCES OF FUNDS/SUMMARY OF REVENUES AND CONTRIBUTIONS  
FIVE FISCAL YEARS ENDED JUNE 30, 2015  
(MILLIONS)**

	<i>Fiscal Year Ending June 30</i>				
	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
Operating Revenue and Other Income:					
Water sales	\$283.6	\$306.2	\$336.1	\$367.5	\$362.1
Power sales	8.1	4.6	3.6	1.4	2.2
Interest <sup>(1)</sup>	5.7	5.5	3.7	1.7	3.5
Taxes	22.2	23.4	26.4	25.5	27.9
Other <sup>(2)</sup>	<u>13.4</u>	<u>16.2</u>	<u>12.8</u>	<u>19.9</u>	<u>15.3</u>
Total Operating Revenue and Other Income	<u>\$333.0</u>	<u>\$355.9</u>	<u>\$382.6</u>	<u>\$416.0</u>	<u>\$411.0</u>
Capital Contributions:					
Seismic Surcharge <sup>(3)</sup>	\$ 18.1	\$ 19.2	\$ 20.6	\$ 22.6	\$ 22.2
System Capacity Charge <sup>(4)</sup>	17.6	16.1	22.7	20.4	29.7
Earned contributions on construction <sup>(5)</sup>	6.5	5.8	4.5	5.2	17.1
Grants and reimbursements	<u>3.6</u>	<u>4.1</u>	<u>8.0</u>	<u>0.8</u>	<u>2.5</u>
Total Contributions	<u>\$ 45.8</u>	<u>\$ 45.2</u>	<u>\$ 55.8</u>	<u>\$ 49.0</u>	<u>\$ 71.5</u>
<b>Total</b>	<b><u>\$378.8</u></b>	<b><u>\$401.1</u></b>	<b><u>\$438.4</u></b>	<b><u>\$465.0</u></b>	<b><u>\$482.5</u></b>

<sup>(1)</sup> Includes interest earnings on Water System Fund, including earnings on proceeds of the District’s Water System Revenue Bonds.

<sup>(2)</sup> Other Revenues include receipts from property sales, rental of District property, fees for use of District recreational facilities and other miscellaneous receipts. Beginning in Fiscal Year 2010, Other Revenues also includes interest subsidy payments received in each year by the District in connection with its Series 2010B Bonds which are Build America Bonds. Excludes reimbursements and other receipts applied directly to operating expenses.

<sup>(3)</sup> The sunset of the seismic surcharge became effective July 1, 2015 and beginning with Fiscal Year 2016 the seismic surcharge is no longer being collected.

<sup>(4)</sup> System capacity charge collections presented in the table above include the “buy-in” portion and the “future water supply” portion of SCC charges when collected. Does not include the “future water supply” portion of SCC charges applied from the Future Water Supply Fund to offset debt service costs.

<sup>(5)</sup> Includes contributions for facility relocations, main extensions and service installations.

Source: The District.

**Water Sales Revenues, Number of Connections (Accounts) and Metered Consumption**

The following Table 9 sets forth water sales revenues, consumption and number of connections by customer type.

**EAST BAY MUNICIPAL UTILITY DISTRICT**

**TABLE 9: WATER SALES REVENUES, CONSUMPTION AND NUMBER OF CONNECTIONS  
BY CUSTOMER TYPE  
FISCAL YEAR ENDED JUNE 30, 2015**

<i>Type of Customer</i>	<i>Sales Revenues</i> <sup>(1)</sup>	<i>Percent of Revenues</i>	<i>Consumption (MGD)</i>	<i>Percent of Consumption</i>	<i>Number of Connections</i> <sup>(2)</sup>	<i>Percent of Connections</i>
Residential	\$200,513,070	55.4%	76.2	51.3%	346,394	89.2%
Commercial	116,994,616	32.3	48.4	32.6	38,099	9.8
Industrial	30,251,848	8.3	17.5	11.8	1,446	0.4
Other <sup>(3)</sup>	14,376,085	4.0	6.3	4.3	2,416	0.6
Total <sup>(4)</sup>	<u>\$362,135,618</u>	<u>100.0%</u>	<u>148.5</u>	<u>100.0%</u>	<u>388,355</u>	<u>100.0%</u>

<sup>(1)</sup> Excludes proceeds from the seismic surcharge which the District capitalizes in its audited financial statements in accordance with Generally Accepted Accounting Principles. Seismic surcharge revenues are Water Revenues for purposes of the Indenture. The sunset of the seismic surcharge became effective July 1, 2015 and beginning with Fiscal Year 2016 the seismic surcharge is no longer being collected. Does not include account establishment fees, recycled water fees and certain other miscellaneous charges.

<sup>(2)</sup> Connections as of June 30, 2015.

<sup>(3)</sup> Includes public agencies, recycled water customers and late charges.

<sup>(4)</sup> Totals may not add due to rounding.

Source: The District.

**Rates and Charges**

From Fiscal Year 2012 through Fiscal Year 2016, residential rates for water service have increased by an average of 7.71% per Fiscal Year. The overall average rate increase, which includes the rate increases for all customer classes and rate components, for the same period was 7.85%. The District's most increases in water service rates and charges included the adoption on June 9, 2015 of overall average rate increases (including meter, volume, elevation charges, non-potable (recycled) water and private fire service) of 8.0% for Fiscal Year 2016 and 7.0% for Fiscal Year 2017. Table 10 sets forth the average residential and overall average rate increases enacted by the District for Fiscal Years 2012 through 2015 and the average residential rate increases adopted for Fiscal Years 2016 and 2017:

**TABLE 10: WATER RATE INCREASES**

<i>Fiscal Year</i>	<i>Average Residential Rate Increase</i>	<i>Overall Average Rate Increase</i> <sup>(1)</sup>
2012	6.00%	6.00%
2013	6.00	6.00
2014	9.79	9.75
2015	9.43	9.50
2016 <sup>(2)</sup>	7.35 <sup>(2)</sup>	8.00 <sup>(2)</sup>
2017 <sup>(3)</sup>	7.02 <sup>(3)</sup>	7.00 <sup>(3)</sup>

<sup>(1)</sup> Overall average rate increase includes water rates for all customer classes (including residential) and water rate components.

<sup>(2)</sup> Fiscal Year 2016 rate increase is subsequent to cost of service adjustments. As a result of certain adjustments to individual meter, volume, elevation, non-potable and private fire service rates and charges designed to implement the results of an updated cost of service study completed by the District, different rate increases are applicable for each customer class and for individual customers within each customer class depending on water use and meter size. Rate increase excludes drought surcharge.

<sup>(3)</sup> Adopted overall average rate increase to take effect on bills issued on and after July 1, 2016. Excludes drought surcharge.

Source: The District.



**EAST BAY MUNICIPAL UTILITY DISTRICT**

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Table 11 shows the rate schedule effective July 1, 2015 for Fiscal Year 2016. The monthly water bill for a typical residential account consuming 1,000 cubic feet (10 Ccf or 7,480 gallons) per month, excluding any drought surcharge, is \$52.17, which represents an average increase of 8.00% for residential customers from Fiscal Year 2015 rates.

**TABLE 11: WATER SYSTEM RATES AND CHARGES<sup>(1)</sup>  
EFFECTIVE JULY 1, 2015**

**Service Charge**

<i>Meter Size</i>	<i>Per Month</i>
5/8-inch and ¾-inch	\$19.34
1-inch	29.20
1 ½-inch	53.88
2-inch	83.48
Over 2-inch	Various

**Charge for Water Delivered**

<i>Rate Class</i>	<i>Per Hundred Cubic Feet (Ccf)</i>
Basic Rate – Single Family <sup>(1)</sup>	\$2.95
Basic Rate – Multi Family	4.17
Basic Rate – Other	4.15
Elevation Band Surcharges <sup>(2)</sup> –	
Band 2: Pressure Zones 2 through 5	0.60
Band 3: Pressure Zones 6 and higher	1.24

<sup>(1)</sup> Applies to first 172 gallons per day (7 Ccf) for single family residential customers. Additional consumption by residential customers is billed at \$4.06 per Ccf for consumption between 173 and 393 gallons per day (16 Ccf), and \$5.36 for all water used in excess of 393 gallons per day. For a household using 10 Ccf in Fiscal Year 2016, the water usage charge for the first 7 Ccf at the first tier rate of \$2.95 per Ccf would be \$20.65 and the water usage charge for the additional 3 Ccf at the second tier rate of \$4.06 per Ccf would be \$12.18, for a total charge for water delivered of \$32.83; the monthly service charge would be \$19.34, resulting in a total monthly bill of \$52.17.

<sup>(2)</sup> The water elevation surcharge provides for the increased power and facility costs needed to pump water to locations (zones) 200 or more feet above sea level.

Source: The District.

As noted above, on June 9, 2015, in connection with the adoption of rates and charges for Fiscal Years 2016 and 2017, the District’s Board of Directors adopted drought surcharges that may be implemented in the event of ongoing drought conditions when the Board declares specific drought stages pursuant to its water shortage contingency plan. The drought surcharges, corresponding to increasingly severe stages of water shortages, are applied to each unit of water used during the billing period, and are calculated to recover costs of providing supplemental water, increased costs of water shortage-related customer service and loss of revenue. The staged system of drought surcharges and expected water use restrictions and supplemental supply needs for each of the four drought stages are summarized below.

**EAST BAY MUNICIPAL UTILITY DISTRICT**

**Staged System of Drought Surcharges**

Drought 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 adopted schedule of drought surcharges is set forth below. The surcharges do not apply to non-potable water.

**Monthly Drought Surcharges  
Water Flow Charge per 100 Cu. Ft.**

	<b>Maximum Applicable Drought Surcharge in 4 Stages</b>			
	1	2	3	4
Single-Family Residential Accounts				
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

The new system of drought rates also includes a penalty on excessive water use in stages 3 and 4 to be applicable to the single family residential customer class. The penalty is \$2 per Ccf for any potable water use over 120 Ccf during a billing cycle (for billing cycles of 55 to 68 days) in a drought declared to be stage 3 by the District’s Board of Directors and for use over 80 Ccf during a billing cycle (for billing cycles of 55 to 68 days) in a drought declared to be stage 4 by the District’s Board of Directors. The water use penalty was adopted by ordinance approved by the Board on April 28, 2015.

Commencing with bills issued on and after July 1, 2015, the applicable drought surcharges for a Stage 4 drought are currently in effect for District customers.

**Historical Operating Results**

Table 12 sets forth the historical operating results and the calculation of the debt service coverage ratio for the Water System for each of the last five Fiscal Years.

## EAST BAY MUNICIPAL UTILITY DISTRICT

**TABLE 12: WATER SYSTEM HISTORICAL OPERATING RESULTS AND DEBT SERVICE COVERAGE<sup>(1)</sup>  
FISCAL YEARS 2011 THROUGH 2015**

	2011	2012	2013	2014	2015
<b>WATER REVENUES<sup>(2)</sup>:</b>					
Water Sales <sup>(3)</sup>	\$283,643,516	\$306,228,357	\$336,065,516	\$367,547,268	\$362,135,681
Power Revenue	8,081,710	4,609,259	3,595,948	1,380,348	2,209,938
Interest	4,551,068	3,731,406	1,691,927	1,691,927	3,449,378
SCC Revenue <sup>(4)</sup>	46,190,321	30,733,972	22,673,134	20,365,047	29,725,090
Seismic Rate Surcharge <sup>(5)</sup>	18,102,265	19,172,928	20,536,924	22,628,261	22,258,683
Other Revenue <sup>(6)</sup>	<u>13,363,139</u>	<u>16,159,977</u>	<u>12,842,012</u>	<u>19,937,710</u>	<u>15,291,924</u>
<b>TOTAL WATER REVENUES</b>	<b><u>\$374,714,060</u></b>	<b><u>\$381,455,561</u></b>	<b><u>\$399,444,940</u></b>	<b><u>\$433,550,561</u></b>	<b><u>\$435,070,694</u></b>
<b>RATE STABILIZATION FUND TRANSFERS:</b>					
Deposits to the Rate Stabilization Fund	\$ 0	\$ 0	\$ 0	\$(35,000,000)	\$(10,000,000)
Withdrawals from Rate Stabilization Fund for Inclusion in revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>WATER REVENUES AFTER RATE STABILIZATION TRANSFER</b>	<b><u>\$374,714,060</u></b>	<b><u>\$381,455,561</u></b>	<b><u>\$399,444,940</u></b>	<b><u>\$398,550,561</u></b>	<b><u>\$425,070,694</u></b>
<b>WATER OPERATION &amp; MAINTENANCE COSTS:</b>					
Operating Expenses	\$181,709,853	\$197,818,566	\$197,249,098	\$213,692,428	\$210,786,463
(Less Tax Receipts) <sup>(7)</sup>	<u>(22,235,567)</u>	<u>(23,385,603)</u>	<u>(26,435,974)</u>	<u>(25,492,391)</u>	<u>(27,922,120)</u>
<b>TOTAL WATER OPERATION &amp; MAINTENANCE COSTS</b>	<b><u>\$159,474,286</u></b>	<b><u>\$174,432,963</u></b>	<b><u>\$170,813,124</u></b>	<b><u>\$188,200,037</u></b>	<b><u>\$182,864,343</u></b>
<b>NET WATER REVENUES</b>	<b>\$215,239,774</b>	<b>\$207,022,598</b>	<b>\$228,631,816</b>	<b>\$210,350,524</b>	<b>\$242,206,351</b>
<b>PARITY DEBT SERVICE:</b>					
Water System Revenue Bonds <sup>(8)</sup>	\$142,284,287	\$129,330,308	\$132,270,442	\$125,016,887	\$144,320,119
Parity State Loans	<u>1,400,108</u>	<u>1,400,105</u>	<u>1,400,105</u>	<u>1,400,107</u>	<u>1,400,108</u>
<b>TOTAL PARITY DEBT SERVICE</b>	<b>\$143,684,395</b>	<b>\$130,730,413</b>	<b>\$133,670,547</b>	<b>\$126,416,994</b>	<b>\$145,720,227</b>
<b>PARITY DEBT SERVICE COVERAGE</b>	<b>1.50</b>	<b>1.58</b>	<b>1.71</b>	<b>1.66</b>	<b>1.66</b>
<b>SUBORDINATE WATER SYSTEM DEBT SERVICE<sup>(9)</sup></b>	<b>\$ 3,086,117</b>	<b>\$ 8,495,107</b>	<b>\$ 687,369</b>	<b>\$ 13,562,675</b>	<b>\$ 335,794</b>
<b>TOTAL PARITY AND SUBORDINATE DEBT SERVICE</b>	<b>\$146,770,512</b>	<b>\$139,225,520</b>	<b>\$134,357,916</b>	<b>\$139,979,669</b>	<b>\$146,056,021</b>
<b>TOTAL PARITY AND SUBORDINATE DEBT SERVICE COVERAGE</b>	<b>1.47</b>	<b>1.49</b>	<b>1.70</b>	<b>1.50</b>	<b>1.66</b>

<sup>(1)</sup> Calculated in accordance with the Indenture as footnoted.

<sup>(2)</sup> Revenues exclude grant receipts, taxes, and certain developer contributions which are treated as contributions (not Water Revenues).

<sup>(3)</sup> Reflects average daily billed consumption of 160.5 MGD in Fiscal Year 2011, 162.1 MGD in Fiscal Year 2012, 168.4 MGD in Fiscal Year 2013, 167.5 MGD in Fiscal Year 2014 and 148.5 MGD in Fiscal Year 2015.

<sup>(4)</sup> System Capacity Charge ("SCC") Revenues presented in the table above include the "buy-in" portion of SCC charges when collected and the "future water supply" portion of SCC charges when applied from the Future Water Supply Fund to offset such debt service costs. SCC Revenues are capitalized and are not recognized as operating revenues for purposes of the District's audited financial statements.

<sup>(5)</sup> Seismic rate surcharge revenues are capitalized and are not recognized as operating revenues for purposes of the District's audited financial statements. The sunset of the seismic surcharge became effective July 1, 2015 and beginning with Fiscal Year 2016 the seismic surcharge is no longer being collected.

<sup>(6)</sup> Includes BABs Interest Subsidy Payments received in connection with the Series 2010B Bonds. In Fiscal Year 2011, does not include payment received by the District from Chevron for reimbursement of capital costs incurred by the District for the RARE Water Project.

<sup>(7)</sup> Operation and Maintenance Costs exclude those expenses paid from District's share of countywide 1% property tax revenues. Under current District policy, District's share of countywide 1% property tax revenues are used to pay for operations allocable to maintenance of fire protection capacity.

<sup>(8)</sup> Includes net swap payments. Debt service on the Series 2010B Bonds is gross of the BABs Interest Subsidy Payments received by the District.

<sup>(9)</sup> Includes outstanding Water System commercial paper notes and certain federal and State subordinate loans (which subordinate loans have been retired). Commercial paper notes debt service includes interest and a one-time principal pay down in Fiscal Year 2014 of \$13.1 million.

Source: The District.

**WASTEWATER SYSTEM**

**Wastewater Flows**

Table 13 presents a ten-year record of wastewater flows through the District’s Main Wastewater Treatment Plant, expressed as the average daily flow for each Fiscal Year.

**TABLE 13: AVERAGE DAILY WASTEWATER FLOW  
(MILLION GALLONS PER DAY)**

<i>Fiscal Year Ended</i>	
<i>June 30</i>	<i>Flow</i>
2006	81
2007	67
2008	69
2009	67
2010	68
2011	70
2012	62
2013	61
2014	56
2015	55

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Source: The District.

**Sources of Funds/Summary of Revenues and Contributions**

The following Table 14 sets forth the District’s Wastewater System sources of funds for the five most recent Fiscal Years ended June 30, 2015. The sources of funds in the table below include certain funds that do not constitute Subordinated Wastewater Revenues for purposes of the Indenture. Subordinated Wastewater Revenues include all charges received for, and all other income and receipts derived by the District from, the operation of the Wastewater System or arising from the Wastewater System, which includes, without limitation, the District’s dry weather user charges, wet weather facilities charges, wastewater capacity fees and resource recovery program revenues, as well as investment income. Property taxes are applied to reduce Operation and Maintenance Costs and are not pledged to the repayment of the Wastewater System Revenue Bonds. Certain grants and contributions earned on construction which are restricted to use for specified purposes are not included in Subordinated Wastewater Revenues for purposes of the Indenture. Only Subordinated Wastewater Revenues are pledged to the payment of the Wastewater System Revenue Bonds.

**EAST BAY MUNICIPAL UTILITY DISTRICT**

**TABLE 14: WASTEWATER SYSTEM SOURCES OF FUNDS  
FIVE FISCAL YEARS ENDED JUNE 30, 2015  
(MILLIONS)**

	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
<b>Operating Revenue and Other Income:</b>					
Dry Weather User Charges	\$50.9	\$55.2	\$ 58.8	\$ 61.8	\$ 65.1
Wet Weather Facilities Charges	16.1	17.2	18.3	19.4	21.8
Resource Recovery	9.4	9.1	9.2	10.6	11.3
Interest <sup>(1)</sup>	2.0	1.6	0.3	0.2	0.3
Taxes <sup>(2)</sup>	7.4	8.3	9.4	9.9	8.5
Other Revenues <sup>(3)</sup>	<u>2.4</u>	<u>3.5</u>	<u>4.1</u>	<u>6.3</u>	<u>5.6</u>
<b>Total Revenues</b>	<b>\$88.2</b>	<b>\$94.9</b>	<b>\$100.1</b>	<b>\$108.2</b>	<b>\$112.6</b>
<b>Capital Contributions:</b>					
Wastewater Capacity Fees	2.4	2.8	1.3	0.8	2.8
Earned contributions on construction	0.7	0.0	0.0	0.0	0.0
Grants	<u>0.0</u>	<u>0.0</u>	<u>0.3</u>	<u>0.4</u>	<u>0.3</u>
<b>Total Contributions</b>	<b>\$ 3.1</b>	<b>\$ 2.8</b>	<b>\$ 1.6</b>	<b>\$ 1.2</b>	<b>\$ 3.1</b>
<b>TOTAL</b>	<b><u>\$91.3</u></b>	<b><u>\$97.7</u></b>	<b><u>\$101.7</u></b>	<b><u>\$109.4</u></b>	<b><u>\$115.7</u></b>

<sup>(1)</sup> Includes interest earnings on Wastewater System Fund, including earnings on proceeds of the District's Wastewater System Revenue Bonds.

<sup>(2)</sup> Includes the District's share of 1% countywide property tax and the *ad valorem* tax levied for repayment of Special District No. 1's general obligation bonds.

<sup>(3)</sup> Beginning in Fiscal Year 2011, Other Revenues includes interest subsidy payments received by the District in connection with its Series 2010B Bonds which are Build America Bonds. In Fiscal Years 2012 through 2015, Other Revenues also includes revenues received from the sale of energy to the utility grid. Other Revenues excludes reimbursements and certain other receipts applied directly to operating expenses.

Source: The District.

**Wastewater User Charge Revenues and Number of Connections by User Type**

Table 15 sets forth a breakdown of the District's dry weather user charge revenues and number of connections by customer class for the Fiscal Year ended June 30, 2015.

**TABLE 15: WASTEWATER USER CHARGE REVENUES AND NUMBER OF CONNECTIONS  
BY USER TYPE  
FISCAL YEAR ENDED JUNE 30, 2015**

<i>Type of Customer</i>	<i>User Charge Revenues</i>	<i>Percent of Revenues</i>	<i>Number of Connections</i>	<i>Percent of Accounts</i>
Residential	\$37,936,467	58.3%	157,771	89.6%
Commercial	22,124,062	34.0	16,807	9.6
Industrial	2,110,970	3.2	698	0.4
Public	<u>2,936,289</u>	<u>4.5</u>	<u>751</u>	<u>0.4</u>
Total <sup>(2)</sup>	<b><u>\$65,107,788</u></b>	<b><u>100.0%</u></b>	<b><u>176,027</u></b>	<b><u>100.0%</u></b>

<sup>(1)</sup> Dry weather user charges collected on the water bill includes permit fees, pollution prevention fees and late fees. Does not include wet weather facilities charges, resource recovery treatment fees or private sewer lateral compliance certificate fees.

<sup>(2)</sup> Totals may not add due to rounding.

Source: The District.

**Rates and Charges**

From Fiscal Year 2012 through Fiscal Year 2016, residential rates for wastewater service have increased by an average of 5.52% per Fiscal Year. The overall average rate increase, which includes the rate increases for all customer classes and rate components, for the same period was 6.90%. The District’s most recent increases in wastewater service rates and charges included the adoption on June 9, 2015 of overall rate increases of 5.00% and 5.00% for Fiscal Years 2016 and 2017, respectively. Table 16 sets forth the average residential and overall average rate increases enacted by the District for Fiscal Years 2012 through 2015 and the average residential rate increases adopted for Fiscal Years 2016 and 2017:

**TABLE 16: WASTEWATER RATE INCREASES**

<i>Fiscal Year</i>	<i>Average Residential Rate Increase</i>	<i>Overall Average Rate Increase<sup>(1)</sup></i>
2012	5.97%	6.00%
2013	5.93	6.00
2014	8.24	9.00
2015	8.29	8.50
2016 <sup>(2)</sup>	(0.81) <sup>(2)</sup>	5.00 <sup>(2)</sup>
2017 <sup>(3)</sup>	4.88 <sup>(3)</sup>	5.00 <sup>(3)</sup>

<sup>(1)</sup> Overall average rate increase includes wastewater treatment and disposal charges, wet weather facilities charges and San Francisco Bay Pollution Prevention Fees for all customer classes (including residential).

<sup>(2)</sup> Fiscal Year 2016 rate increase is subsequent to cost of service adjustments. As a result of certain adjustments to individual wastewater component charges for wastewater flow, strength, inflow and infiltration designed to implement the results of the updated cost of service study completed by the District, different rate increases are applicable for each customer class and individual customers within each customer class depending on wastewater flow and strength and by parcel size.

<sup>(3)</sup> Adopted overall average rate increase to take effect on bills issued on and after July 1, 2016.

Source: The District.

## EAST BAY MUNICIPAL UTILITY DISTRICT

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The District's current (Fiscal Year 2016) wastewater rates are set forth in Table 17 below.

**TABLE 17: WASTEWATER SYSTEM RATES AND CHARGES  
EFFECTIVE JULY 1, 2015**

**Residential Charge:**

Service Charge (per account)	\$ 5.29	per month
Strength Charge (per dwelling unit)	7.28	per month
Flow Charge	1.04	per 100-cubic foot unit, to a maximum of 9 units
San Francisco Bay Pollution Prevention Fee	0.20	per month per dwelling unit

**Non-Residential Charge:**

Service Charge (per meter)	5.29	per month
Treatment Charge	1.18-13.81	per unit, depending on the nature of the business
San Francisco Bay Pollution Prevention Fee	5.48	per month

**Minimum Monthly Charge:**

Duplex	20.25	per month
Triplex	27.73	per month

**Permit Accounts:**

Flow Charge	1.033	per hundred cubic feet
COD	0.306	per pound of discharge
Suspended Solids	0.447	per pound of discharge

**Wet Weather Facilities Charge:**

Small lot (0-5,000 sq. ft.)	\$ 89.62	per year per land parcel
Medium lot (5,001-10,000 sq. ft.)	\$ 140.00	per year per land parcel
Large lot (>10,000 sq. ft.)	\$ 320.00	per year per land parcel

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Source: The District.

### Historical Operating Results

Table 18 sets forth the historical operating results and the calculation of the debt service coverage ratio for the Wastewater System for each of the last five Fiscal Years. The presentation below differs from that previously reported in that Wastewater Capacity Fees previously excluded are now reflected as a component of Wastewater Revenues for purposes of the coverage calculation as permitted by the Indenture.

# EAST BAY MUNICIPAL UTILITY DISTRICT

**TABLE 18: WASTEWATER SYSTEM HISTORICAL OPERATING RESULTS  
AND DEBT SERVICE COVERAGE<sup>(1)</sup>  
FISCAL YEARS 2011 THROUGH 2015**

	2011	2012	2013	2014	2015
<b>WASTEWATER REVENUES<sup>(2)</sup></b>					
Dry Weather User Charges	\$50,909,726	\$55,191,460	\$58,783,692	\$61,774,568	\$ 65,107,788
Wet Weather Facilities Charges	16,063,834	17,228,380	18,320,550	19,388,979	21,809,317
Interest	1,076,342	856,218	368,315	223,672	271,736
Resource Recovery	9,403,337	9,061,029	9,226,468	10,570,194	11,309,181
Wastewater Capacity Fees	2,423,103	2,824,137	1,278,961	805,590	2,785,820
Other Revenue <sup>(3)</sup>	<u>2,407,895</u>	<u>3,507,474</u>	<u>4,061,513</u>	<u>6,315,048</u>	<u>5,558,340</u>
<b>TOTAL WASTEWATER REVENUE</b>	<b>\$82,284,237</b>	<b>\$88,668,698</b>	<b>\$92,039,499</b>	<b>\$99,078,051</b>	<b>\$106,842,182</b>
<b>RATE STABILIZATION FUND TRANSFERS</b>					
Deposits to the Rate Stabilization Fund	\$ 0	\$ 0	\$ 0	\$(2,590,000)	\$(6,500,000)
Withdrawals from Rate Stabilization Fund for Inclusion in Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>WASTEWATER REVENUES AFTER RATE STABILIZATION TRANSFER</b>	<b><u>\$82,284,237</u></b>	<b><u>\$88,668,698</u></b>	<b><u>\$92,039,499</u></b>	<b><u>\$96,488,051</u></b>	<b><u>\$100,342,182</u></b>
<b>WASTEWATER OPERATION &amp; MAINTENANCE COSTS</b>					
Operating Expenses	\$49,553,385	\$52,482,539	\$51,435,631	\$55,318,873	\$ 55,336,812
(Less Tax Receipts) <sup>(4)</sup>	<u>(3,299,315)</u>	<u>(3,698,069)</u>	<u>(4,413,039)</u>	<u>(4,530,489)</u>	<u>(3,979,783)</u>
<b>TOTAL WASTEWATER OPERATION &amp; MAINTENANCE COSTS</b>	<b><u>\$46,254,070</u></b>	<b><u>\$48,784,470</u></b>	<b><u>\$47,022,592</u></b>	<b><u>\$50,788,384</u></b>	<b><u>\$ 51,357,029</u></b>
<b>NET WASTEWATER REVENUES</b>	<b>\$36,030,167</b>	<b>\$39,884,228</b>	<b>\$45,016,907</b>	<b>\$45,699,667</b>	<b>\$ 48,985,153</b>
<b>PARITY DEBT SERVICE</b>					
Wastewater System Revenue Bonds <sup>(5)</sup>	\$20,084,078	\$26,385,738	\$28,284,129	\$28,559,257	\$ 27,976,848
Parity State Loans	<u>1,326,979</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL PARITY DEBT SERVICE</b>	<b><u>\$21,411,057</u></b>	<b><u>\$26,385,738</u></b>	<b><u>\$28,284,129</u></b>	<b><u>\$28,559,257</u></b>	<b><u>\$ 27,976,848</u></b>
<b>PARITY DEBT SERVICE COVERAGE</b>	<b>1.68</b>	<b>1.51</b>	<b>1.59</b>	<b>1.60</b>	<b>1.75</b>
<b>SUBORDINATE WASTEWATER SYSTEM DEBT SERVICE<sup>(6)</sup></b>	<b>\$ 3,922,392</b>	<b>\$ 33,300</b>	<b>\$ 33,910</b>	<b>\$ 20,116</b>	<b>\$ 14,342</b>
<b>TOTAL PARITY AND SUBORDINATE DEBT SERVICE</b>	<b>\$25,333,449</b>	<b>\$26,419,038</b>	<b>\$28,318,039</b>	<b>\$28,579,373</b>	<b>\$ 27,991,190</b>
<b>PARITY AND SUBORDINATE DEBT SERVICE COVERAGE</b>	<b>1.42</b>	<b>1.51</b>	<b>1.59</b>	<b>1.60</b>	<b>1.75</b>

(1) Calculated in accordance with the Indenture as footnoted.

(2) Wastewater Revenues exclude grant receipts, taxes and certain reimbursements.

(3) Beginning in Fiscal Year 2011, Other Revenues includes BABs Interest Subsidy Payments received in connection with Series 2010B Bonds. In Fiscal Years 2012 through 2015, Other Revenues also includes revenues received from the sale of energy to the utility grid of \$333,812, \$693,272, \$1,099,418 and \$1,092,911, respectively.

(4) Wastewater Operation and Maintenance Costs exclude those expenses paid from the share of the 1% countywide *ad valorem* tax levy allocated to Special District No. 1. Under current District policy, taxes are used to pay for operations allocable to storm water processing and infiltration/inflow processing.

(5) Includes net swap payments. Net of capitalized interest. Debt service on the Series 2010B Bonds is gross of the BABs Interest Subsidy Payments received by the District.

(6) Includes outstanding Wastewater System commercial paper notes and certain subordinate State Loans (which State Loans have subsequently been retired or refunded by Wastewater System Revenue Bonds). With respect to commercial paper notes includes interest only with no principal amortization.

Source: The District.



## EAST BAY MUNICIPAL UTILITY DISTRICT

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**Trustee for all Water System Revenue Bonds and  
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Wells Fargo Corporate Trust Services  
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Minneapolis, MN 55402  
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**Paying Agent and Registrar for Wastewater  
System General Obligation Refunding Bonds –  
Series G**

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### EBMUD WEB SITE

Since September 1996, the District has made available general financial information on its web site: (<http://www.ebmud.com>.) The site is updated periodically and is designed to assist ratepayers, investors and other interested parties in learning more about the District's financial condition. However, the information presented therein is not part of this Continuing Disclosure Information Statement and must not be relied upon in making any investment decision with respect to the District's bonds.