



EAST BAY MUNICIPAL UTILITY DISTRICT

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

FISCAL YEAR 2017

The date of this information statement is as of June 30, 2017, 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 (which will contain information accurate as of the date of such 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) 287-0231

## 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 securing 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

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### Debt Outstanding

The following Table 1 summarizes the District's Water System outstanding long-term debt. All information is presented as of June 30, 2017.

**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, 2017</i>
<b>Water System Revenue Bonds</b>				
Revenue Refunding Bonds, Series 2008A <sup>(1)</sup>	03/20/08	06/01/38	\$ 322,525,000	\$ 105,250,000
Revenue/Refunding Bonds, Series 2010A	02/03/10	06/01/36	192,830,000	7,020,000
Revenue Bonds, Series 2010B (Build America Bonds)	02/23/10	06/01/40	400,000,000	400,000,000
Revenue Refunding Bonds, Series 2012A	10/10/12	06/01/37	191,750,000	81,750,000
Revenue Refunding Bonds, Series 2012B	11/13/12	06/01/26	358,620,000	249,450,000
Revenue Refunding Bonds, Series 2013A	03/05/13	06/01/21	48,670,000	28,065,000
Revenue Refunding Bonds, Series 2014A	06/11/14	06/01/35	128,315,000	128,315,000
Revenue Refunding Bonds, Series 2014B	06/11/14	06/01/30	242,730,000	233,450,000
Revenue Bonds, Series 2014C	06/26/14	06/01/44	75,000,000	75,000,000
Revenue Refunding Bonds, Series 2015A	03/03/15	06/01/37	429,360,000	429,360,000
Revenue Bonds, Series 2015B (Green Bonds)	06/17/15	06/01/45	74,335,000	74,335,000
Revenue Bonds, Series 2015C	06/17/15	06/01/45	110,715,000	110,715,000
Revenue Bonds, Series 2017A (Green Bonds)	06/22/17	06/01/45	185,355,000	185,355,000
Revenue/Refunding Bonds, Series 2017B	06/22/17	06/01/37	<u>309,665,000</u>	<u>309,665,000</u>
Total Water System Revenue Bonds			<u>\$3,069,870,000</u>	<u>\$2,417,730,000</u>
<b>Parity Debt:</b>				
Safe Drinking Water State Revolving Fund Loan (Upper San Leandro Reservoir)	01/01/03	01/01/24	2,188,000	833,906 <sup>(2)</sup>
State Water Resources Control Board Loan (East Bayshore Recycled Water Project)	05/22/08	04/01/28	<u>20,100,000</u>	<u>12,057,843</u>
Total Parity State Loans			<u>\$ 22,288,000</u>	<u>\$ 12,891,749</u>
<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><u>\$3,451,958,000</u></u>	<u><u>\$2,790,421,749</u></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, 2019) 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, 2017 payment made in Fiscal Year 2016-17.

<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.

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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, 2017.

**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, 2017</i>
<u>Wastewater System Revenue Bonds:</u>				
Revenue/Refunding Bonds, Series 2010A	10/20/10	06/01/29	\$ 58,095,000	\$ 7,805,000
Revenue Bonds, Series 2010B (Build America Bonds)	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	72,040,000
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	2,795,000	2,475,000
Revenue/Refunding Bonds, Series 2017A	06/14/17	06/01/45	<u>69,420,000</u>	<u>69,420,000</u>
Total Wastewater System Revenue Bonds			\$450,830,000	\$390,110,000
<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>3,515,000</u>
<b>Total Debt</b>			<u>\$479,990,000</u>	<u>\$408,625,000</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 two short-term commercial paper borrowing programs: an extendable municipal commercial paper program and a traditional commercial paper program.

Under the extendable municipal commercial paper program, commercial paper may be issued for the Water System or the Wastewater System 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 extendable municipal commercial paper program is not supported by any liquidity or revolving credit agreement. As of June 30, 2017, \$15,000,000 principal amount of extendable commercial paper notes was outstanding under the District's extendable municipal commercial paper program, consisting of \$0 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 46 days.

The District has further 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. As of June 30, 2017, \$359,800,000 principal amount of commercial paper notes was outstanding under the District's

## EAST BAY MUNICIPAL UTILITY DISTRICT

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traditional commercial paper program, consisting of \$359,800,000 of Commercial Paper Notes (Water Series) and \$0 of Commercial Paper Notes (Wastewater Series), with an average weighted remaining life to maturity of 29 days.

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.

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, 2017.

### **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 (the "MUD 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 are to:

- adhere to the prudent investor standard; and
- conform with the Code and MUD. Act; and
- have the following objectives, in order of priority:
  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 risk to the greatest extent possible. It is the primary duty of the Treasurer to protect, preserve and maintain cash and investments on behalf of the District.
  2. *Liquidity* - The District's ability to have cash available when needed to support expenditure cycles and budgetary objectives.
  3. *Yield* - The District's ability to provide maximum return on the District's investments while conforming to the safety and liquidity criteria above.

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4. *Diversity* – The District’s ability to maintain an investment portfolio that includes a range of security types for the District. In order to accomplish this, each investment option shall have defined limits on the maximum share of the portfolio, single issuer and single issue holdings, and maturity, rating and other restrictions where applicable.

### **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. The District has, however, entered into interest rate swap transactions to hedge interest rate exposure on outstanding variable rate water system revenue bonds.

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 51% 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 685,000 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 2013 to 2017.

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Oakland	407,660	412,290	417,993	423,191	426,074
Berkeley	116,355	117,705	119,246	119,997	121,238
Richmond	107,275	108,129	109,239	110,886	111,785
San Leandro	86,395	87,058	87,866	87,882	88,274
Alameda	76,086	76,792	77,653	79,338	79,928
Walnut Creek	66,964	67,665	68,346	70,340	70,974
Total Six Cities	860,735	869,639	880,343	891,634	898,273
Alameda County	1,567,091	1,588,348	1,611,318	1,629,233	1,645,359
Contra Costa County	1,083,721	1,097,644	1,111,899	1,126,824	1,139,513
California	38,238,492	38,572,211	38,915,880	39,189,035	39,523,613

<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, 2011-2017, with 2010 Census Benchmark*. Sacramento, California, May 2017.

## 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 2013 to 2017. 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>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Oakland	407,660	412,290	417,993	423,191	426,074
Berkeley	116,355	117,705	119,246	119,997	121,238
Alameda	76,086	76,792	77,653	79,338	79,928
El Cerrito	23,894	24,082	24,249	24,490	24,600
Albany	18,660	18,672	18,827	18,905	18,988
Piedmont	10,953	11,052	11,174	11,227	11,283
Emeryville	10,541	10,763	10,900	11,730	11,854
<b>Total Seven Cities</b>	<b>664,149</b>	<b>671,356</b>	<b>680,042</b>	<b>688,878</b>	<b>693,965</b>
Alameda County	1,567,091	1,588,348	1,611,318	1,629,233	1,645,359
Contra Costa County	1,083,721	1,097,644	1,111,899	1,126,824	1,139,513
California	38,238,492	38,572,211	38,915,880	39,189,035	39,523,613

<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 – 2011-2017, with 2010 Census Benchmark*. Sacramento, California, May 2017.

**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>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>ASSESSED VALUATION FOR TAXATION PURPOSES<sup>(1)(2)</sup></b>					
Alameda County	\$ 98,956,612,301	\$103,645,001,482	\$112,041,019,464	\$119,325,397,941	\$126,352,473,480
Contra Costa County	<u>83,087,433,870</u>	<u>89,671,760,809</u>	<u>96,462,650,792</u>	<u>102,552,109,724</u>	<u>107,515,120,243</u>
TOTAL	\$182,044,046,171	\$193,316,762,291	\$208,503,670,256	\$221,877,507,665	\$233,867,593,723
<b>COUNTY 1% ALLOCATED PROPERTY TAX REVENUES TO DISTRICT<sup>(3)</sup></b>					
Alameda County	\$14,417,608	\$13,669,336	\$14,943,333	\$16,136,648	\$17,025,444
Contra Costa County	<u>12,018,366</u>	<u>11,823,055</u>	<u>12,978,787</u>	<u>13,732,785</u>	<u>14,709,572</u>
TOTAL	\$26,435,974	\$25,492,391	\$27,922,120	\$29,869,433	\$31,735,016
<b>DELINQUENCIES<sup>(4)</sup></b>					
Delinquent June 30					
Amount	\$260,612	\$211,831	\$198,418	\$239,980	\$236,737
Percent	0.99%	0.83%	0.71%	0.80%	0.75%

(1) 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.

(2) Minor differences in assessed valuation numbers from amounts previously reported can occur from time to time due to a change in source data used.

(3) 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.

(4) 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	2013	2014	2015	2016	2017
<b>ASSESSED VALUATION FOR TAXATION PURPOSES<sup>(1)(2)</sup></b>					
Alameda County	\$75,005,826,233	\$79,134,556,452	\$85,882,609,820	\$91,776,237,397	\$97,458,907,771
Contra Costa County	<u>4,436,844,975</u>	<u>4,842,733,668</u>	<u>5,290,848,742</u>	<u>5,674,452,805</u>	<u>5,976,259,924</u>
TOTAL	\$79,442,671,208	\$83,977,290,120	\$91,173,458,562	\$97,450,690,202	\$103,435,167,695
<b>COUNTY 1% ALLOCATED PROPERTY TAX REVENUES TO DISTRICT<sup>(3)</sup></b>					
Alameda County	\$4,111,766	\$3,557,107	\$3,656,005	\$4,286,754	\$4,477,354
Contra Costa County	<u>301,272</u>	<u>973,382</u>	<u>323,779</u>	<u>353,271</u>	<u>380,941</u>
TOTAL	\$4,413,038	\$4,530,489	\$3,979,784	\$4,640,025	\$4,858,295
<b>DISTRICT G. O. BOND AD VALOREM TAX LEVY</b>					
Alameda County	\$4,712,548	\$5,054,513	\$4,254,983	\$3,114,158	\$2,703,444
Contra Costa County	<u>282,625</u>	<u>296,047</u>	<u>233,603</u>	<u>184,418</u>	<u>161,770</u>
TOTAL	\$4,995,173	\$5,350,560	\$4,488,586	\$3,298,576	\$2,865,215
<b>TOTAL PROPERTY TAX/AD VALOREM TAX REVENUES</b>					
Alameda County	\$8,824,314	\$8,611,620	\$7,910,988	\$7,400,912	\$7,180,798
Contra Costa County	<u>583,897</u>	<u>1,269,429</u>	<u>557,382</u>	<u>537,689</u>	<u>542,711</u>
TOTAL	\$9,408,211	\$9,881,049	\$8,468,370	\$7,938,601	\$7,723,510
<b>DELINQUENCIES<sup>(4)</sup></b>					
Delinquent June 30					
Amount	\$172,212	\$143,118	\$109,278	\$112,750	\$105,290
Percent	1.83%	1.45%	1.27%	1.42%	1.4%

<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 assessed valuation numbers from amounts previously reported can occur from time to time 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 can be highly variable from year to year. Following four consecutive years of drought from 2012 through 2015, in Water Year 2016 (a Water Year begins on October 1 and ends on the following September 30), there was near normal runoff and slightly above average precipitation in the District's Mokelumne watershed, the main source of its water supply. Water Year 2017 was the wettest runoff year on record in the Mokelumne Watershed. The District began Water Year 2018, which commenced on October 1, 2017, with a provisional estimate of 643,000 acre-feet in total system storage (Pardee, Camanche and East Bay terminal reservoirs), representing 83% of capacity or 113% of average.

Additional information regarding the District's water supply may be obtained 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 2008 is shown in Table 7 below. Note that this information was re-labeled as “production” rather than “consumption” in Fiscal Year 2012 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>
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
2016	162,562	70,812	52,971	145
2017	173,641	75,638	56,581	155

<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, 2017. 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 prior to its sunset effective July 1, 2015, its seismic surcharge, as well as investment income, less Operation and Maintenance Costs. 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, 2017  
(MILLIONS)**

	<i>Fiscal Year Ending June 30</i>				
	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>
Operating Revenue and Other Income:					
Water sales	\$336.1	\$367.5	\$362.1	\$421.2	\$420.3
Power sales	3.6	1.4	2.2	3.5	7.8
Interest <sup>(1)</sup>	3.7	1.7	3.5	2.2	3.3
Taxes	26.4	25.5	27.9	29.9	32.0
Other <sup>(2)</sup>	<u>12.8</u>	<u>19.9</u>	<u>15.3</u>	<u>14.0</u>	<u>14.9</u>
Total Operating Revenue and Other Income <sup>(6)</sup>	<u>\$382.6</u>	<u>\$416.0</u>	<u>\$411.0</u>	<u>\$470.8</u>	<u>\$478.3</u>
Capital Contributions:					
Seismic Surcharge <sup>(3)</sup>	\$ 20.6	\$ 22.6	\$ 22.2	\$ 0.0	\$ 0.0
System Capacity Charge <sup>(4)</sup>	22.7	20.4	29.7	39.3	51.5
Earned contributions on construction <sup>(5)</sup>	4.5	5.2	17.1	17.0	14.4
Grants and reimbursements	<u>8.0</u>	<u>0.8</u>	<u>2.5</u>	<u>4.4</u>	<u>10.1</u>
Total Contributions <sup>(6)</sup>	<u>\$ 55.8</u>	<u>\$ 49.0</u>	<u>\$ 71.5</u>	<u>\$ 60.8</u>	<u>\$ 75.9</u>
Total <sup>(6)</sup>	<u>\$438.4</u>	<u>\$465.0</u>	<u>\$482.5</u>	<u>\$531.5</u>	<u>\$554.2</u>

<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 charged.

<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.

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

<sup>(6)</sup> Totals may not add due to rounding.

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, 2017**

<i>Type of Customer</i>	<i>Sales Revenues<sup>(1)</sup></i>	<i>Percent of Revenues</i>	<i>Consumption (MGD)</i>	<i>Percent of Consumption</i>	<i>Number of Connections<sup>(2)</sup></i>	<i>Percent of Connections</i>
Residential	\$233,236,065	55.5%	67.6	50.9%	348,331	89.2%
Commercial	135,242,982	32.2	44.5	33.5	38,174	9.8
Industrial	35,653,810	8.5	15.1	11.3	1,692	0.4
Public Authority	16,160,394	3.8	5.6	4.2	2,375	0.6
Total <sup>(3)</sup>	<u>\$420,293,252</u>	<u>100.0%</u>	<u>132.7</u>	<u>100.0%</u>	<u>390,572</u>	<u>100.0%</u>

<sup>(1)</sup> Does not include account establishment fees, recycled water fees and certain other miscellaneous charges.

<sup>(2)</sup> Connections as of June 30, 2017.

<sup>(3)</sup> Totals may not add due to rounding.

Source: The District.

**Rates and Charges**

From Fiscal Year 2013 through Fiscal Year 2017, residential rates for water service have increased by an average of approximately 7.9% 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 approximately 8.1%. The District’s most recent increases in water service rates and charges included the adoption on July 11, 2017 of overall average rate increases (including meter, volume, elevation charges, non-potable (recycled) water and private fire service) of 9.25% for Fiscal Year 2018 and 9.00% for Fiscal Year 2019. Table 10 sets forth the average residential and overall average rate increases enacted by the District for the five Fiscal Years 2013 through 2017, as well as the average residential and overall average rate increases most recently adopted for Fiscal Years 2018 and 2019:

**TABLE 10: WATER RATE INCREASES**

<i>Fiscal Year</i>	<i>Average Residential Rate Increase</i>	<i>Overall Average Rate Increase<sup>(1)</sup></i>
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>
2018 <sup>(4)</sup>	9.21 <sup>(4)</sup>	9.25 <sup>(4)</sup>
2019 <sup>(4)</sup>	8.99 <sup>(4)</sup>	9.00 <sup>(4)</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> Excludes drought surcharge.

<sup>(4)</sup> Fiscal Year 2018 and 2019 rate increases were adopted on July 11, 2017. The rate increases for Fiscal Year 2018 took effect on bills issued on or after July 12, 2017 and the rate increase for Fiscal Year 2019 will take effect on bills issued on or after July 1, 2018.

Source: The District.



**EAST BAY MUNICIPAL UTILITY DISTRICT**

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Table 11 shows the rate schedule effective July 12, 2017 for Fiscal Year 2018. The monthly water bill for a typical residential account consuming 800 cubic feet (8 Ccf or 5,980 gallons) per month, excluding any drought surcharge, is \$51.49, which represents an average increase of 9.2% for residential customers from Fiscal Year 2017 rates.

**TABLE 11: WATER SYSTEM RATES AND CHARGES<sup>(1)</sup>  
EFFECTIVE JULY 12, 2017**

**Service Charge**

<i>Meter Size</i>	<i>Per Month</i>
5/8-inch and ¾-inch	\$22.60
1-inch	34.13
1 ½-inch	62.98
2-inch	97.58
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>	\$3.45
Basic Rate – Multi Family	4.87
Basic Rate – Other	4.85
Elevation Band Surcharges <sup>(2)</sup> –	
Band 2: Pressure Zones 2 through 5	0.70
Band 3: Pressure Zones 6 and higher	1.45

<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 \$4.74 per Ccf for consumption between 173 and 393 gallons per day (16 Ccf), and \$6.27 for all water used in excess of 393 gallons per day. For a household using 8 Ccf in Fiscal Year 2018, the water usage charge for the first 7 Ccf at the first tier rate of \$3.45 per Ccf would be \$24.15 and the water usage charge for the additional 1 Ccf at the second tier rate of \$4.74 per Ccf would be \$4.74, for a total charge for water delivered of \$28.89; the monthly service charge would be \$22.60, resulting in a total monthly bill of \$51.49.

<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.

In June 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 District’s adopted rates and charges for Fiscal Years 2018 and 2019 include an update to the system of drought surcharges (although as noted below, commencing with bills issued on and after July 1, 2016, there are no drought surcharges currently in effect for District customers). 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**

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**Staged System of Drought Surcharges**

Drought Stage based on Total System Storage:	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.

**Drought Surcharges on Total Water Flow Charge for Water Delivered**

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

In the previous bond disclosure, the District reported that the system of drought rates included a penalty on excessive water use in stages 3 and 4 to be applicable to the single family residential customer class. Pursuant Resolution 34081-16, adopted by the Board on April 26, 2016, the Board of Directors suspended the imposition of penalties on excessive water use in stages 3 and 4, applicable to single family residences. The suspension of the implementation of excessive water use penalties took effect on May 3, 2016.

Commencing with bills issued on and after July 1, 2016, there are no drought surcharges 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 2013 THROUGH 2017**

	2013	2014	2015	2016	2017
<b>WATER REVENUES<sup>(2)</sup>:</b>					
Water Sales <sup>(3)</sup>	\$336,065,516	\$367,547,268	\$362,135,681	\$421,239,645	\$420,293,252
Power Revenue	3,595,948	1,380,348	2,209,938	3,524,767	7,806,642
Interest	3,731,406	1,691,927	3,449,378	2,196,001	3,345,710
SCC Revenue <sup>(4)</sup>	22,673,134	20,365,047	29,725,090	39,323,341	51,463,496
Seismic Rate Surcharge <sup>(5)</sup>	20,536,924	22,628,261	22,258,683	38,793	9,270
Other Revenue <sup>(6)</sup>	<u>12,842,012</u>	<u>19,937,710</u>	<u>15,291,924</u>	<u>13,972,663</u>	<u>14,852,674</u>
<b>TOTAL WATER REVENUES</b>	<u><b>\$399,444,940</b></u>	<u><b>\$433,550,561</b></u>	<u><b>\$435,070,694</b></u>	<u><b>\$480,295,210</b></u>	<u><b>\$497,771,044</b></u>
<b>RATE STABILIZATION FUND TRANSFERS:</b>					
Deposits to the Rate Stabilization Fund	\$ 0	\$(35,000,000)	\$(10,000,000)	\$ 0	\$ 0
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>	<u><b>\$399,444,940</b></u>	<u><b>\$398,550,561</b></u>	<u><b>\$425,070,694</b></u>	<u><b>\$480,295,210</b></u>	<u><b>\$497,771,044</b></u>
<b>WATER OPERATION &amp; MAINTENANCE COSTS:</b>					
Operating Expenses	\$197,249,098	\$213,692,428	\$210,786,463	\$238,624,710	\$219,844,980
(Less Tax Receipts) <sup>(7)</sup>	<u>(26,435,974)</u>	<u>(25,492,391)</u>	<u>(27,922,120)</u>	<u>(29,869,433)</u>	<u>(31,971,089)</u>
<b>TOTAL WATER OPERATION &amp; MAINTENANCE COSTS</b>	<u><b>\$170,813,124</b></u>	<u><b>\$188,200,037</b></u>	<u><b>\$182,864,343</b></u>	<u><b>\$208,755,277</b></u>	<u><b>\$187,873,891</b></u>
<b>NET WATER REVENUES</b>	<b>\$228,631,816</b>	<b>\$210,350,524</b>	<b>\$242,206,351</b>	<b>\$271,539,933</b>	<b>\$309,897,153</b>
<b>PARITY DEBT SERVICE:</b>					
Water System Revenue Bonds <sup>(8)</sup>	\$132,270,442	\$125,016,887	\$144,320,119	\$162,809,748	\$164,213,889
Parity State Loans	<u>1,400,105</u>	<u>1,400,107</u>	<u>1,400,108</u>	<u>1,400,108</u>	<u>1,400,108</u>
<b>TOTAL PARITY DEBT SERVICE</b>	<b>\$133,670,547</b>	<b>\$126,416,994</b>	<b>\$145,720,227</b>	<b>\$164,209,856</b>	<b>\$165,613,997</b>
<b>PARITY DEBT SERVICE COVERAGE</b>	<b>1.71</b>	<b>1.66</b>	<b>1.66</b>	<b>1.65</b>	<b>1.87</b>
<b>SUBORDINATE WATER SYSTEM DEBT SERVICE<sup>(9)</sup></b>	<b>\$ 687,369</b>	<b>\$ 13,562,675</b>	<b>\$ 335,794</b>	<b>\$ 340,580</b>	<b>\$ 3,627,676</b>
<b>TOTAL PARITY AND SUBORDINATE DEBT SERVICE</b>	<b>\$134,357,916</b>	<b>\$139,979,669</b>	<b>\$146,056,021</b>	<b>\$164,550,436</b>	<b>\$169,241,673</b>
<b>TOTAL PARITY AND SUBORDINATE DEBT SERVICE COVERAGE</b>	<b>1.70</b>	<b>1.50</b>	<b>1.66</b>	<b>1.65</b>	<b>1.83</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 168.4 MGD in Fiscal Year 2013, 167.5 MGD in Fiscal Year 2014, 148.5 MGD in Fiscal Year 2015, 128.0 MGD in Fiscal Year 2016, and 132.7 MGD in Fiscal Year 2017.

<sup>(4)</sup> Prior to Fiscal Year 2016, 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. However, a small amount of seismic surcharge collections were made in Fiscal Years 2016 and 2017.

<sup>(6)</sup> Includes BABs Interest Subsidy Payments received in connection with the Series 2010B Bonds which are Build America Bonds.

<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>
2008	69
2009	67
2010	68
2011	70
2012	62
2013	61
2014	56
2015	55
2016	56
2017	69

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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, 2017. 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, less Operation and Maintenance Costs. Property taxes are applied to reduce Operation and Maintenance Costs or to pay debt service on the District’s outstanding general obligation bonds 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, 2017  
(MILLIONS)**

	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>
<b>Operating Revenue and Other Income:</b>					
Dry Weather User Charges	\$ 58.8	\$ 61.8	\$ 65.1	\$ 66.0	\$ 70.0
Wet Weather Facilities Charges	18.3	19.4	21.8	21.9	23.1
Resource Recovery	9.2	10.6	11.3	11.6	11.9
Interest <sup>(1)</sup>	0.3	0.2	0.3	0.4	0.7
Taxes <sup>(2)</sup>	9.4	9.9	8.5	7.9	7.8
Other Revenues <sup>(3)</sup>	<u>4.1</u>	<u>6.3</u>	<u>5.6</u>	<u>5.2</u>	<u>5.2</u>
<b>Total Revenues</b>	<b>\$100.1</b>	<b>\$108.2</b>	<b>\$112.6</b>	<b>\$113.0</b>	<b>\$118.7</b>
<b>Capital Contributions:</b>					
Wastewater Capacity Fees	1.3	0.8	2.8	3.1	8.0
Earned contributions on construction	0.0	0.0	0.0	0.7	0.7
Grants	<u>0.3</u>	<u>0.4</u>	<u>0.3</u>	<u>0.3</u>	<u>0.2</u>
<b>Total Contributions</b>	<b>\$ 1.6</b>	<b>\$ 1.2</b>	<b>\$ 3.1</b>	<b>\$ 4.1</b>	<b>\$ 8.9</b>
<b>TOTAL</b>	<b><u>\$101.7</u></b>	<b><u>\$109.4</u></b>	<b><u>\$115.7</u></b>	<b><u>\$117.1</u></b>	<b><u>\$127.6</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> Other Revenues includes interest subsidy payments received by the District in connection with its Series 2010B Bonds which are Build America Bonds. 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, 2017.

**TABLE 15: WASTEWATER DRY WEATHER USER CHARGE REVENUES  
AND NUMBER OF CONNECTIONS BY USER TYPE  
FISCAL YEAR ENDED JUNE 30, 2017**

<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	\$38,382,299	54.8%	158,825	89.7%
Commercial	26,265,230	37.5	16,818	9.5
Industrial	1,937,852	2.8	702	0.4
Public	<u>3,413,992</u>	<u>4.9</u>	<u>740</u>	<u>0.4</u>
Total <sup>(2)</sup>	<b><u>\$69,999,373</u></b>	<b><u>100.0%</u></b>	<b><u>177,085</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 2013 through Fiscal Year 2017, total annual residential wastewater charges imposed by the District have increased by an average of approximately 5.3% per Fiscal Year. The overall average rate increase, which includes the rate increases for all customer classes and rate components (including the District treatment and disposal charges, wet weather facilities charges and San Francisco Bay Pollution Prevention Fee), for the same period was approximately 6.7%. The District’s most recent increases in wastewater service rates and charges included the adoption on July 11, 2017 of system-wide rate increases of 5.0% and 5.0% for Fiscal Years 2018 and 2019, respectively. Table 16 sets forth the average residential rate increases and overall average rate increases enacted by the District for Fiscal Years 2013 through 2017, as well as the average residential and overall average rate increases most recently adopted for Fiscal Years 2018 and 2019:

**TABLE 16: WASTEWATER RATE INCREASES**

<i>Fiscal Year</i>	<i>Average Residential Rate Increase</i>	<i>Overall Average Rate Increase<sup>(1)</sup></i>
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	4.88	5.00
2018 <sup>(3)</sup>	4.87 <sup>(3)</sup>	5.00 <sup>(3)</sup>
2019 <sup>(3)</sup>	5.05 <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> Fiscal Year 2018 and 2019 rate increases were adopted on July 11, 2017. The rate increases for Fiscal Year 2018 took effect on bills issued on or after July 12, 2017 and the rate increase for Fiscal Year 2019 will take effect on bills issued on or after July 1, 2018.

Source: The District.

## EAST BAY MUNICIPAL UTILITY DISTRICT

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The District's current (Fiscal Year 2018) wastewater rates are set forth in Table 17 below.

**TABLE 17: WASTEWATER SYSTEM RATES AND CHARGES  
EFFECTIVE JULY 12, 2017**

<b>Residential Charge:</b>		
Service Charge (per account)	\$ 5.83	per month
Strength Charge (per dwelling unit)	8.02	per month
Flow Charge	1.14	per 100-cubic foot unit, to a maximum of 9 units
San Francisco Bay Pollution Prevention Fee	0.20	per month per dwelling unit
<b>Non-Residential Charge:</b>		
Service Charge (per meter)	5.83	per month
Treatment Charge	1.29-15.22	per unit, depending on the nature of the business
San Francisco Bay Pollution Prevention Fee	5.48	per month
<b>Minimum Monthly Charge:</b>		
Duplex	21.87	per month
Triplex	29.89	per month
<b>Permit Accounts:</b>		
Flow Charge	1.139	per hundred cubic feet
CODf	0.337	per pound of discharge
Suspended Solids	0.492	per pound of discharge
<b>Wet Weather Facilities Charge:</b>		
Small lot (0-5,000 sq. ft.)	98.80	per year per land parcel
Medium lot (5,001-10,000 sq. ft.)	154.34	per year per land parcel
Large lot (>10,000 sq. ft.)	352.80	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.

# EAST BAY MUNICIPAL UTILITY DISTRICT

**TABLE 18: WASTEWATER SYSTEM HISTORICAL OPERATING RESULTS  
AND DEBT SERVICE COVERAGE<sup>(1)</sup>  
FISCAL YEARS 2013 THROUGH 2017**

	2013	2014	2015	2016	2017
<b>WASTEWATER REVENUES<sup>(2)</sup></b>					
Dry Weather User Charges	\$58,783,692	\$61,774,568	\$ 65,107,788	\$ 65,916,031	\$ 69,999,373
Wet Weather Facilities Charges	18,320,550	19,388,979	21,809,317	21,918,034	23,104,818
Interest	368,315	223,672	271,736	359,743	654,595
Resource Recovery	9,226,468	10,570,194	11,309,181	11,625,497	11,904,249
Wastewater Capacity Fees	1,278,961	805,590	2,785,820	3,142,514	7,969,321
Other Revenue <sup>(3)</sup>	<u>4,061,513</u>	<u>6,315,048</u>	<u>5,558,340</u>	<u>5,168,719</u>	<u>5,253,614</u>
<b>TOTAL WASTEWATER REVENUE</b>	<b>\$92,039,499</b>	<b>\$99,078,051</b>	<b>\$106,842,182</b>	<b>\$108,130,538</b>	<b>\$118,885,970</b>
<b>RATE STABILIZATION FUND TRANSFERS</b>					
Deposits to the Rate Stabilization Fund	\$ 0	\$(2,590,000)	\$(6,500,000)	\$ 0	\$ 0
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>\$92,039,499</u></b>	<b><u>\$96,488,051</u></b>	<b><u>\$100,342,182</u></b>	<b><u>\$108,130,538</u></b>	<b><u>\$118,885,970</u></b>
<b>WASTEWATER OPERATION &amp; MAINTENANCE COSTS</b>					
Operating Expenses	\$51,435,631	\$55,318,873	\$ 55,336,812	\$ 55,331,260	\$ 58,550,842
(Less Tax Receipts) <sup>(4)</sup>	<u>(4,413,039)</u>	<u>(4,530,489)</u>	<u>(3,979,783)</u>	<u>(4,640,025)</u>	<u>(4,914,980)</u>
<b>TOTAL WASTEWATER OPERATION &amp; MAINTENANCE COSTS</b>	<b><u>\$47,022,592</u></b>	<b><u>\$50,788,384</u></b>	<b><u>\$ 51,357,029</u></b>	<b><u>\$ 50,691,235</u></b>	<b><u>\$ 53,635,862</u></b>
<b>NET WASTEWATER REVENUES</b>	<b>\$45,016,907</b>	<b>\$45,699,667</b>	<b>\$ 48,985,153</b>	<b>\$ 57,439,303</b>	<b>\$ 65,250,108</b>
<b>PARITY DEBT SERVICE</b>					
Wastewater System Revenue Bonds <sup>(5)</sup>	\$28,284,129	\$28,559,257	\$ 27,976,848	\$ 29,068,988	\$ 29,099,228
Parity State Loans	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL PARITY DEBT SERVICE</b>	<b><u>\$28,284,129</u></b>	<b><u>\$28,559,257</u></b>	<b><u>\$ 27,976,848</u></b>	<b><u>\$ 29,068,988</u></b>	<b><u>\$ 29,099,228</u></b>
<b>PARITY DEBT SERVICE COVERAGE</b>	<b>1.59</b>	<b>1.60</b>	<b>1.75</b>	<b>1.98</b>	<b>2.24</b>
<b>SUBORDINATE WASTEWATER SYSTEM DEBT SERVICE<sup>(6)</sup></b>	<b>\$ 33,910</b>	<b>\$ 20,116</b>	<b>\$ 14,342</b>	<b>\$ 22,543</b>	<b>\$ 109,216</b>
<b>TOTAL PARITY AND SUBORDINATE DEBT SERVICE</b>	<b>\$28,318,039</b>	<b>\$28,579,373</b>	<b>\$ 27,991,190</b>	<b>\$ 29,091,531</b>	<b>\$ 29,208,444</b>
<b>PARITY AND SUBORDINATE DEBT SERVICE COVERAGE</b>	<b>1.59</b>	<b>1.60</b>	<b>1.75</b>	<b>1.97</b>	<b>2.23</b>

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

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

(3) Other Revenues includes BABs Interest Subsidy Payments received in connection with Series 2010B Bonds which are Build America Bonds. Other Revenues also includes revenues received from the sale of energy to the utility grid of \$693,272 in Fiscal Year 2013, \$1,099,418 in Fiscal Year 2014, \$1,092,911 in Fiscal Year 2015, \$1,246,360 in Fiscal Year 2016, and \$900,014 in Fiscal Year 2017.

(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 (which swaps have subsequently been terminated). 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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all Wastewater System Revenue Bonds**

Natasha Sadchikova  
Wells Fargo Corporate Trust Services  
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Minneapolis, MN 55415  
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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.