



EAST BAY MUNICIPAL UTILITY DISTRICT

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

FISCAL YEAR 2012

The date of this information statement is as of June 30, 2012, 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)

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 request further documentation about the District by requesting a copy of their most recent official statement from the Municipal Securities Rulemaking Board at <http://emma.msrb.org/>. 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
Fax: 510-287-0293

EAST BAY MUNICIPAL UTILITY DISTRICT

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, 2012, except as footnoted with respect to certain subsequent events.

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, 2012</i>
Water System Revenue Bonds				
Revenue Refunding Bonds, Series 2003 ⁽¹⁾	7/17/03	6/01/21	\$ 115,730,000	\$ 56,080,000
Revenue Bonds, Series 2005A ⁽²⁾	6/02/05	6/01/35	300,000,000	300,000,000
Revenue Bonds, Series 2007A ⁽²⁾	5/23/07	6/01/37	450,000,000	450,000,000
Revenue Refunding Bonds, Series 2007B	5/23/07	6/01/19	54,790,000	40,750,000
Revenue Refunding Bonds, Series 2008A ⁽³⁾⁽⁷⁾	3/20/08	6/01/38	322,525,000	315,650,000 ⁽⁷⁾
Revenue Refunding Bonds, Series 2008B-3 ⁽⁴⁾⁽⁷⁾	4/24/08	6/01/26	160,000,000	58,450,000 ⁽⁷⁾
Revenue Refunding Bonds, Series 2009A ⁽⁵⁾⁽⁷⁾	3/12/09	6/01/26	331,155,000	310,800,000 ⁽⁷⁾
Revenue Refunding Bonds, Series 2010A	2/03/10	6/01/31	192,830,000	192,830,000
Revenue Bonds, Series 2010B (Build America Bonds)	2/23/10	6/01/40	400,000,000	400,000,000
Revenue Refunding Bonds, Series 2011A ⁽⁶⁾	12/29/11	6/01/25	<u>159,210,000</u>	<u>148,530,000</u>
Total Water System Revenue Bonds			\$2,486,240,000	\$2,273,090,000
Parity Debt:				
Safe Drinking Water State Revolving Fund Loan (Upper San Leandro Reservoir)	1/01/03	1/01/23	2,188,000	1,390,000
State Water Resources Control Board Loan (East Bayshore Recycled Water Project)	5/22/08	4/01/28	<u>20,100,000</u>	<u>16,580,000</u>
Total Parity State Loans			\$ 22,288,000	\$ 17,970,000
Subordinate Debt:				
Extendable Municipal Commercial Paper Notes (Water Series) ⁽⁸⁾	Various	Various	<u>410,000,000⁽⁹⁾</u>	<u>312,900,000</u>
Total Debt			<u>\$2,918,528,000</u>	<u>\$2,603,960,000</u>

⁽¹⁾ On November 1, 2012, the District entered into a forward delivery purchase contract for the sale of \$48,670,000 aggregate principal amount of its fixed rate Water System Revenue Refunding Bonds, Series 2013A (the "Series 2013A Bonds") to be delivered, subject to the terms and conditions set forth in such forward delivery purchase contract, on or about March 5, 2013. The Series 2013A Bonds are being issued for the purpose of refunding the District's \$56,080,000 principal amount of Outstanding Water System Subordinated Revenue Refunding Bonds, Series 2003.

⁽²⁾ On October 10, 2012, the District issued its \$191,750,000 principal amount of Series 2012A Bonds for the purpose of refunding \$71,750,000 principal amount of the Series 2005A Bonds and \$120,000,000 principal amount of the Series 2007A Bonds.

⁽³⁾ Liquidity support provided by Standby Bond Purchase Agreements with Royal Bank of Canada (Series 2008A-1, expiring January 11, 2013), Barclays Bank PLC (Series 2008A-2 and Series 2008A-3, expiring January 11, 2013) and Bank of America, N.A. (Series 2008A-4, expiring January 10, 2014). The District has entered into interest rate swap agreements that provide a hedge for the Series 2008A Bonds. The District expects to replace expiring liquidity facilities prior to the applicable expiration date.

⁽⁴⁾ Liquidity support provided by a Standby Bond Purchase Agreement with JPMorgan Chase Bank, N.A., expiring January 10, 2014. The District has entered into interest rate swap agreements that provide a hedge for the Series 2008B-3 Bonds.

⁽⁵⁾ The District has entered into interest rate swap agreements that provide a hedge for the Series 2009A Bonds.

⁽⁶⁾ The District has entered into interest rate swap agreements that provide a hedge for the Series 2011A Bonds.

⁽⁷⁾ On November 13, 2012, the District issued its \$358,620,000 principal amount of Series 2012B Bonds. A portion of the proceeds of the Series 2012B Bonds refunded and defeased on such date \$115,100,000 principal amount of the District's variable rate Series 2008A Bonds, \$43,350,000 principal amount of the District's variable rate Series 2008B-3 Bonds and \$228,725,000 principal amount of the Series 2009A Bonds, which were redeemed on December 3, 2012, and to pay the costs of terminating a portion of certain interest rate swap agreements related to the Water System Revenue Bonds being refunded.

⁽⁸⁾ Extendable Municipal Commercial Paper Notes (Water Series) Notes may be issued in an amount up to the statutory limit described herein. As of January 2011, the District determined the issued amount for the Water System will not exceed \$410,000,000 until subsequently increased by the District.

⁽⁹⁾ Current authorized amount.

Source: The District.

EAST BAY MUNICIPAL UTILITY DISTRICT

The following Table 2 summarizes the District's Wastewater System outstanding long-term debt. All information is presented as of June 30, 2012, except as footnoted with respect to certain subsequent events.

TABLE 2: SUMMARY OF WASTEWATER SYSTEM DEBT OUTSTANDING

	<u><i>Date of Issue</i></u>	<u><i>Last Maturity</i></u>	<u><i>Amount Issued</i></u>	<u><i>Outstanding June 30, 2012</i></u>
<u>Wastewater System Revenue Bonds:</u>				
Revenue Bonds, Series 2007A ⁽¹⁾	05/16/07	06/01/37	\$ 80,630,000	\$ 80,630,000
Revenue Refunding Bonds, Series 2007B	05/16/07	06/01/26	46,670,000	37,890,000
Revenue Refunding Bonds, Series 2008C ⁽²⁾	03/26/08	06/01/27	65,300,000	54,140,000
Revenue/Refunding Bonds, Series 2010A	10/20/10	06/01/29	58,095,000	54,855,000
Revenue Bonds, Series 2010B	10/20/10	06/01/40	150,000,000	150,000,000
Revenue Refunding Bonds, Series 2011A ⁽³⁾	01/19/11	06/01/38	<u>65,905,000</u>	<u>62,570,000</u>
Total Wastewater System Revenue Bonds			\$466,600,000	\$440,085,000
<u>Subordinate Debt:</u>				
Extendable Municipal Commercial Paper Notes (Wastewater Series) ⁽⁴⁾	Various	Various	15,000,000 ⁽⁵⁾	15,000,000
<u>General Obligation Bonds:</u>				
Series F	01/22/03	04/01/18	<u>41,730,000</u>	<u>21,650,000</u>
Total Debt			<u>\$523,330,000</u>	<u>\$476,735,000</u>

⁽¹⁾ On October 10, 2012, the District issued its \$20,000,000 principal amount of Series 2012A Bonds for the purpose of refunding \$20,000,000 principal amount of the Series 2007A Bonds.

⁽²⁾ Liquidity support provided by a Standby Bond Purchase Agreement with Bank of America, N.A., expiring January 10, 2014. The District has entered into interest rate swap agreements in connection with the Series 2008C Bonds.

⁽³⁾ The District has entered into an interest rate swap agreement in connection with the Series 2011A Bonds.

⁽⁴⁾ Extendable Municipal Commercial Paper Notes (Wastewater Series) may be issued in an amount up to the statutory limit described herein. As of January 1, 2011, the District determined the issued amount for the Wastewater System will not exceed \$15,000,000 until subsequently increased by the District.

⁽⁵⁾ Current authorized amount.

Source: The District.

Commercial Paper Program

The District has authorized a short-term extendable commercial paper borrowing program 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. 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.

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.

On June 30, 2012, \$327,900,000 of commercial paper notes was outstanding under the program, with an average weighted remaining life to maturity of 49 days. The proceeds from the issuance of commercial paper are restricted for construction purposes only. There were no unused proceeds on June 30, 2012.

EAST BAY MUNICIPAL UTILITY DISTRICT

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 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

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

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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 Board of Directors.

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 on the north to and including San Lorenzo on 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 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, which covers approximately 88 square miles primarily within Alameda County.

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

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

	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
Six Largest District Cities:					
Oakland	415,492	419,095	390,757	392,333	395,341
Berkeley	106,347	106,697	112,621	113,925	114,821
Richmond	103,828	103,577	103,661	104,382	104,887
San Leandro	81,466	81,851	84,977	85,364	86,053
Alameda	75,254	74,015	73,835	74,052	74,640
Walnut Creek	65,384	65,306	64,140	64,710	65,233
Total Six Cities	847,771	850,541	829,991	834,766	840,975
Alameda County	1,537,719	1,557,749	1,509,240	1,517,756	1,532,137
Contra Costa County	1,048,242	1,061,325	1,047,948	1,056,306	1,065,117
California	37,172,000	37,883,992	37,223,900	37,427,948	37,678,563

⁽¹⁾ As of January 1 of each year.

Source: 2008-2010: State of California, Department of Finance, E-8 Historical Population and Housing Estimates, 2000-2012 Report, by Year, Sacramento, California, November 2012 (Revised Estimates).

2011-2012: State of California, Department of Finance, E-1 Population Estimates for Cities, Counties and the State with Annual Percent Change – January 1, 2011 and 2012, Sacramento, California, May 2012.

EAST BAY MUNICIPAL UTILITY DISTRICT

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 last five years. 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⁽¹⁾**

	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
Seven Largest District Cities:					
Oakland	387,554	389,913	391,475	392,333	395,341
Berkeley	109,762	110,982	112,363	113,925	114,821
Alameda	72,598	73,166	73,717	74,052	74,640
El Cerrito	23,193	23,350	23,552	23,649	23,774
Albany	17,298	18,196	18,481	18,345	18,488
Piedmont	10,601	10,638	10,674	10,710	10,807
Emeryville	9,362	9,702	9,795	10,110	10,200
Total Seven Cities	630,368	635,947	640,057	643,124	648,071
Alameda County	1,484,085	1,497,799	1,509,240	1,517,756	1,532,137
Contra Costa County	1,027,264	1,038,390	1,047,948	1,056,306	1,065,117
California	36,704,375	36,966,713	37,223,900	37,427,948	37,678,563

⁽¹⁾ 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: 2008-2010: State of California, Department of Finance, E-8 Historical Population and Housing Estimates, 2000-2012 Report, by Year, Sacramento, California, November 2012 (Revised Estimates).

2011-2012: State of California, Department of Finance, E-1 Population Estimates for Cities, Counties and the State with Annual Percent Change – January 1, 2011 and 2012, Sacramento, California, May 2012.

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**

Fiscal Year	2008	2009	2010	2011	2012
ASSESSED VALUATION FOR TAXATION PURPOSES (\$000s)⁽¹⁾					
Alameda County	\$ 95,616,366,046	\$ 93,523,188,294	\$ 91,896,215,219	\$ 92,498,938,097	\$ 94,461,089,218
Contra Costa County	<u>85,734,696,051</u>	<u>82,362,321,780</u>	<u>79,539,647,643</u>	<u>79,611,319,471</u>	<u>81,232,708,213</u>
TOTAL	\$181,351,062,097	\$175,885,510,074	\$171,435,862,862	\$172,110,257,568	\$175,693,797,431
COUNTY 1% ALLOCATED PROPERTY TAX REVENUES TO DISTRICT⁽²⁾					
Alameda County	\$11,506,460	\$11,862,545	\$11,820,322	\$11,404,014	\$12,463,643
Contra Costa County	<u>11,224,591</u>	<u>11,554,756</u>	<u>11,068,795</u>	<u>10,831,553</u>	<u>10,921,960</u>
TOTAL	\$22,731,051	\$23,417,301	\$22,889,117	\$22,235,567	23,385,603
DELINQUENCIES					
Delinquent June 30					
Amount	\$640,441	\$671,633	\$463,326	\$377,242	\$353,191
Percent	2.82%	2.87%	2.02%	1.70%	1.51%

⁽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. Assessed valuations shown include redevelopment project area incremental valuations. .

⁽²⁾ 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.

⁽³⁾ Amounts apply to Alameda County only, since Contra Costa County guarantees 100% payment of the District’s secured roll levy as described above. The delinquency percentages are calculated based on the two counties’ secured roll levies.

Sources: Auditor-Controller’s Office, Alameda and Contra Costa Counties, as compiled by the District.

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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	2008	2009	2010	2011	2012
ASSESSED VALUATION FOR TAXATION PURPOSES (\$000s)⁽¹⁾					
Alameda County	\$ 95,616,366,046	\$ 93,523,188,294	\$ 91,896,215,219	\$ 92,498,938,097	\$ 94,461,089,218
Contra Costa County	<u>85,734,696,051</u>	<u>82,362,321,780</u>	<u>79,539,647,643</u>	<u>79,611,319,471</u>	<u>81,232,708,213</u>
TOTAL	\$181,351,062,097	\$175,885,510,074	\$171,435,862,862	\$172,110,257,568	\$175,693,797,431
COUNTY 1% ALLOCATED PROPERTY TAX REVENUES TO DISTRICT ⁽²⁾					
Alameda County	\$2,997,860	\$3,159,144	\$3,143,225	\$3,002,026	\$3,853,682
Contra Costa County	<u>287,370</u>	<u>299,701</u>	<u>292,357</u>	<u>297,289</u>	<u>290,580</u>
TOTAL	\$3,285,230	\$3,458,845	\$3,435,582	\$3,299,315	\$4,144,262
DISTRICT G. O. BOND AD VALOREM TAX LEVY					
Alameda County	\$3,660,598	\$3,674,685	\$3,797,236	\$3,819,476	\$3,894,150
Contra Costa County	<u>244,946</u>	<u>244,467</u>	<u>239,170</u>	<u>260,298</u>	<u>268,200</u>
TOTAL	\$3,905,543	\$3,919,152	\$4,036,406	\$4,079,774	\$4,162,350
TOTAL PROPERTY TAX/AD VALOREM TAX REVENUES					
Alameda County	\$6,658,458	\$6,833,829	\$6,941,851	\$6,821,501	\$7,747,832
Contra Costa County	<u>532,316</u>	<u>544,168</u>	<u>530,137</u>	<u>557,588</u>	<u>558,780</u>
TOTAL	\$7,190,774	\$7,377,997	\$7,471,988	\$7,379,089	\$8,306,612
DELINQUENCIES					
Delinquent June 30					
Amount	\$399,974	\$403,486	\$305,905	\$255,170	\$214,184
Percent	5.56%	5.47%	4.09%	3.46%	2.58%

⁽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. Assessed valuations shown include redevelopment project area incremental valuations.

⁽²⁾ 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.

⁽³⁾ Amounts apply to Alameda County only, since Contra Costa County guarantees 100% payment of the District’s secured roll levy as described above. The delinquency percentages are calculated based on the two counties’ secured roll levies.

Sources: Auditor-Controller’s Office, Alameda and Contra Costa Counties, as compiled by the District.

EAST BAY MUNICIPAL UTILITY DISTRICT

WATER SYSTEM

Material Changes in Water Supply

There have been no material changes in the District's sources of water supply.

Gross Water Production

Annual water production in the District since Fiscal Year 2003 is shown in Table 7 below.

TABLE 7: WATER PRODUCTION BY FISCAL YEAR⁽¹⁾

<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>
2003	238,721	103,987	77,782	213
2004	251,935	109,743	82,088	224
2005	229,155	99,820	74,666	205
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 ⁽²⁾	88,611 ⁽²⁾	66,281 ⁽²⁾	182 ⁽²⁾
2010	195,158 ⁽²⁾	85,011 ⁽²⁾	63,588 ⁽²⁾	174 ⁽²⁾
2011	194,642 ⁽²⁾	84,786 ⁽²⁾	63,420 ⁽²⁾	174 ⁽²⁾
2012	200,220 ⁽²⁾	87,216 ⁽²⁾	65,242 ⁽²⁾	178 ⁽²⁾

⁽¹⁾ 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.

⁽²⁾ Reflects implementation of conservation measures as a result of drought conditions and reduced post-drought consumption.

Source: The District.

Note: 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.

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, 2012. 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, 2012
(MILLIONS)**

	Fiscal Year Ending June 30				
	2008	2009	2010	2011	2012
Operating Revenue and Other Income:					
Water sales	\$270.5	\$287.3	\$271.0	\$283.6	\$306.2
Power sales	3.1	4.3	6.2	8.1	4.6
Interest ⁽¹⁾	40.6	24.5	9.6	5.7	5.5
Taxes	22.7	23.4	22.9	22.2	23.4
Other ⁽²⁾	<u>29.4⁽⁵⁾</u>	<u>6.1</u>	<u>7.7</u>	<u>13.4⁽⁶⁾</u>	<u>16.2⁽⁶⁾</u>
Total Operating Revenue and Other Income	<u>\$366.3</u>	<u>\$345.6</u>	<u>\$317.4</u>	<u>\$333.0</u>	<u>\$355.9</u>
Capital Contributions:					
Seismic Surcharge	\$ 14.8	\$ 15.5	\$ 16.7	\$ 18.1	\$ 19.2
System Capacity Charge ⁽³⁾	19.8	10.9	12.5	17.6	16.1
Earned contributions on construction ⁽⁴⁾	10.4	10.8	6.0	6.5	5.8
Grants and reimbursements	<u>5.5</u>	<u>1.2</u>	<u>4.7</u>	<u>3.6</u>	<u>4.1</u>
Total Contributions	<u>\$ 50.5</u>	<u>\$ 38.4</u>	<u>\$ 39.9</u>	<u>\$ 45.8</u>	<u>\$ 45.2</u>
 Total	 <u>\$416.8</u>	 <u>\$384.0</u>	 <u>\$357.3</u>	 <u>\$378.8</u>	 <u>\$401.1</u>

⁽¹⁾ Includes interest earnings on Water System Fund, including earnings on proceeds of the District's Water System Revenue Bonds.

⁽²⁾ Other Revenues include receipts from property sales, rental of District property, fees for use of District recreational facilities and other miscellaneous receipts. Excludes reimbursements and other receipts applied directly to operating expenses.

⁽³⁾ 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.

⁽⁴⁾ Includes contributions for facility relocations, main extensions and service installations.

⁽⁵⁾ Includes approximately \$23.7 million of non-recurring litigation and insurance proceeds.

⁽⁶⁾ In Fiscal Year 2011 and 2012, includes approximately \$8.2 million of interest subsidy payments in each year received by the District in connection with its Series 2010B Bonds which were Build America Bonds.

Source: The District.

EAST BAY MUNICIPAL UTILITY 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.

**TABLE 9: WATER SALES REVENUES, CONSUMPTION AND NUMBER OF CONNECTIONS
BY CUSTOMER TYPE
FISCAL YEAR ENDED JUNE 30, 2012**

<i>Type of Customer</i>	<i>Sales Revenues⁽¹⁾</i>	<i>Percent of Revenues</i>	<i>Consumption (MGD)</i>	<i>Percent of Consumption</i>	<i>Number of Connections</i>	<i>Percent of Connections</i>
Residential	\$191,110,387	62.5%	97.9	60.3%	350,066	91.9%
Commercial	76,108,520	24.9	40.1	24.7	27,465	7.2
Industrial	20,964,619	6.9	17.4	10.7	1,168	0.3
Other ⁽²⁾	<u>18,044,831</u>	<u>5.7</u>	<u>6.9</u>	<u>4.3</u>	<u>2,280</u>	<u>0.6</u>
Total	<u>\$306,228,357</u>	<u>100.0%</u>	<u>162.1</u>	<u>100.0%</u>	<u>380,979</u>	<u>100.0%</u>

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

⁽²⁾ Includes public agencies, recycled water customers and late charges.

Source: The District.

Rates and Charges

From Fiscal Year 2009 through Fiscal Year 2013, residential rates for water service have increased by an average of 6.6% per Fiscal Year. The District's most recent rate increase included the adoption on June 14, 2011 of a 6.0% system-wide rate increase for each of Fiscal Years 2012 and 2013. Table 10 sets forth the average residential rate increases enacted by the District for the current and four preceding Fiscal Years:

**TABLE 10: WATER RATE INCREASES
LAST FIVE FISCAL YEARS**

<i>Fiscal Year</i>	<i>Average Rate Increase (Residential)</i>
2009	5.1%
2010	8.7 ⁽¹⁾
2011	7.5
2012	6.0
2013	6.0

⁽¹⁾ Residential customers accounted for a higher portion of the 7.5% system-wide rate increase in Fiscal Year 2010 to reflect the results of a cost allocation study conducted by the District in 2009. The average rate increase for commercial and industrial users for Fiscal Year 2010 were 5.2% and 4.9%, respectively.

Source: The District.

EAST BAY MUNICIPAL UTILITY DISTRICT

Table 11 shows the rate schedule effective July 1, 2012 for Fiscal Year 2013, which, as noted above, represents an average increase of 6.0% for residential customers from Fiscal Year 2012 rates. The monthly water bill for a typical residential account consuming 1,100 cubic feet (11 Ccf or 8,228 gallons) per month is \$43.45.

**TABLE 11: WATER SYSTEM RATES AND CHARGES⁽¹⁾
EFFECTIVE JULY 1, 2012**

Service Charge	
<i>Meter Size</i>	<i>Per Month</i>
5/8-inch and ¾-inch	\$12.23
1-inch	19.66
1 ½-inch	31.70
2-inch	46.31
Over 2-inch	Various

Charge for Water Delivered	
<i>Rate Class</i>	<i>Per Hundred Cubic Feet (Ccf)</i>
Basic Rate – Single Family ⁽²⁾	\$2.42
Basic Rate – Multi Family	3.06
Basic Rate – Other	3.17
Elevation Surcharges ⁽³⁾ – Pressure Zones 2 through 5	0.46
Pressure Zones 6 and higher	0.93

⁽¹⁾ A seismic surcharge is added to each customer’s water bill. The surcharge consists of a meter charge component that varies by meter size and a volume surcharge.

⁽²⁾ Applies to first 172 gallons per day (7 Ccf) for single family residential customers. Additional consumption by residential customers is billed at \$3.00 per Ccf for consumption between 173 and 393 gallons per day (16 Ccf) and \$3.68 for all water used in excess of 393 gallons per day. For a household using 11 Ccf, the water usage charge for the first 7 Ccf at the first tier rate of \$2.42 per Ccf would be \$16.94 and the water usage charge for the additional 4 Ccf at the second tier rate of \$3.00 per Ccf would be \$12.00, for a total charge for water delivered of \$28.94; the monthly service charge would be \$12.23 and the seismic surcharge would include a \$1.14 monthly meter charge component and a \$1.14 water service availability component, resulting in a total monthly bill of \$43.45.

⁽³⁾ 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.

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⁽¹⁾
FISCAL YEARS 2008 THROUGH 2012**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
WATER REVENUES⁽²⁾:					
Water Sales ⁽³⁾	\$270,564,429	\$287,313,350 ⁽¹⁰⁾	\$271,022,353	\$283,643,516	\$306,228,357
Power Revenue	3,090,201	4,319,127	6,232,524	8,081,710	4,609,259
Interest	40,635,646 ⁽⁷⁾	24,529,822	9,567,239 ⁽¹¹⁾	5,333,109	4,551,068
SCC Revenue ⁽⁴⁾	19,743,005	16,090,659	40,490,369	46,190,321	30,733,972
Seismic Rate Surcharge ⁽⁵⁾	14,842,821	15,479,577	16,657,412	18,102,265	19,172,928
Other Revenue	29,364,932 ⁽⁸⁾	6,084,034	7,726,627 ⁽¹²⁾	13,363,139 ⁽¹²⁾⁽¹³⁾	16,159,977 ⁽¹³⁾
TOTAL WATER REVENUES	<u>\$378,241,034</u>	<u>\$353,816,569</u>	<u>\$351,696,524</u>	<u>\$374,714,060</u>	<u>\$381,455,561</u>
WATER OPERATION & MAINTENANCE COSTS:					
Operating Expenses	\$177,589,113	\$199,631,357	\$178,964,687	\$181,709,853	\$197,818,566
(Less Tax Receipts) ⁽⁶⁾	<u>(22,731,052)</u>	<u>(23,417,301)</u>	<u>(22,889,117)</u>	<u>(22,235,567)</u>	<u>(23,385,603)</u>
TOTAL WATER OPERATION & MAINTENANCE COSTS	<u>\$154,858,061</u>	<u>\$176,214,056</u>	<u>\$156,075,570</u>	<u>\$159,474,286</u>	<u>\$174,432,963</u>
NET WATER REVENUES	\$223,382,973	\$177,602,513	\$195,620,954	\$215,239,774	\$207,022,598
PARITY DEBT SERVICE:					
Water System Revenue Bonds ⁽⁹⁾	\$119,395,490	\$117,591,055	\$123,816,375	\$140,187,590	\$127,235,004
Parity State Loans	<u>139,860</u>	<u>1,400,108</u>	<u>1,400,108</u>	<u>1,400,108</u>	<u>1,400,105</u>
TOTAL PARITY DEBT SERVICE	\$119,535,350	\$118,991,163	\$125,216,483	\$141,587,698	\$128,635,109
PARITY DEBT SERVICE COVERAGE	1.87	1.49	1.56	1.52	1.61
SUBORDINATE WATER SYSTEM DEBT SERVICE⁽¹⁴⁾	\$ 12,485,052	\$ 6,109,336	\$ 4,425,458	\$ 3,086,117	\$ 8,495,107
TOTAL PARITY AND SUBORDINATE DEBT SERVICE	\$132,020,402	\$125,100,499	\$129,641,941	\$144,673,815	\$137,130,216
PARITY AND SUBORDINATE DEBT SERVICE COVERAGE	1.69	1.42	1.51	1.49	1.51

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

⁽²⁾ Revenues exclude grant receipts, taxes, and certain developer contributions.

⁽³⁾ Reflects average daily billed consumption of 191.0 MGD in Fiscal Year 2008, 169.8 MGD in Fiscal Year 2009, 160.4 MGD in Fiscal Year 2010, 160.5 MGD in Fiscal Year 2011 and 162.1 MGD in Fiscal Year 2012.

⁽⁴⁾ 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.

⁽⁵⁾ Seismic rate surcharge revenues are capitalized and are not recognized as operating revenues for purposes of the District's audited financial statements.

⁽⁶⁾ 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.

⁽⁷⁾ Includes interest earnings on District's Series 2007A Bond proceeds.

⁽⁸⁾ Includes receipt of approximately \$23.7 million of nonrecurring litigation and insurance proceeds.

⁽⁹⁾ Includes net swap payments.

⁽¹⁰⁾ Reflects adoption of drought surcharge during Fiscal Year 2009.

⁽¹¹⁾ Includes interest earnings on District's Series 2010B Bonds proceeds.

⁽¹²⁾ Includes interest subsidy received in connection with the Series 2010B Bonds which are Build America Bonds.

⁽¹³⁾ Does not include payment received by the District from Chevron for reimbursement of capital costs incurred by the District for the RARE Water Project.

⁽¹⁴⁾ Includes outstanding Water System commercial paper notes and certain federal and State subordinate loans (which loans have subsequently been retired). With respect to commercial paper notes includes interest only with no principal amortization.

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)**

Fiscal Year Ended June 30	Flow
2003	73
2004	72
2005	78
2006	82
2007	67
2008	69
2009	66
2010	68
2011	71
2012	62

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, 2012. The sources of funds in the table below includes 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 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, 2012
(MILLIONS)**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Operating Revenue and Other Income:					
Dry Weather User Charges	\$46.1	\$47.1	\$48.8	\$50.9	\$55.2
Wet Weather Facilities Charges	13.7	14.3	15.3	16.1	17.2
Resource Recovery	7.0	7.7	7.6	9.4	9.1
Interest ⁽¹⁾	5.7	2.9	1.2	2.0	1.6
Taxes ⁽²⁾	7.2	7.4	7.4	7.4	8.3
Other ⁽³⁾	<u>0.6</u>	<u>1.0</u>	<u>1.1</u>	<u>2.4</u> ⁽⁵⁾	<u>3.2</u> ⁽⁵⁾
Total Revenues	<u>\$80.3</u>	<u>\$80.4</u>	<u>\$81.4</u>	<u>\$88.2</u>	<u>\$94.6</u>
Capital Contributions:					
Wastewater Capacity Fees	2.2	1.6	0.7	2.4	2.8
Earned contributions on construction	0.6	7.4 ⁽⁴⁾	2.0	0.7	0.0
Grants	<u>0.0</u>	<u>0.0</u>	<u>0.2</u>	<u>0.0</u>	<u>0.0</u>
Total Contributions	<u>\$ 2.8</u>	<u>\$ 9.0</u>	<u>\$ 2.9</u>	<u>\$ 3.1</u>	<u>\$ 2.8</u>
TOTAL	<u>\$83.1</u>	<u>\$89.4</u>	<u>\$84.3</u>	<u>\$91.3</u>	<u>\$97.4</u>

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

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

⁽³⁾ Other Revenues excludes reimbursements and certain other receipts applied directly to operating expenses.

⁽⁴⁾ Includes certain reimbursements from CalTrans for relocation costs of portions of the District's South Interceptor in connection with Interstate-880 seismic retrofit.

⁽⁵⁾ In Fiscal Years 2011 and 2012, includes interest subsidy payments received by the District in connection with its Series 2010B Bonds which were Build America Bonds.

Source: The District.

Rates and Charges

The District's current wastewater rates are set forth in Table 15 below. The District's most recent rate increase included the adoption on June 14, 2011 of 6.0% rate increases for each of Fiscal Years 2012 and 2013.

EAST BAY MUNICIPAL UTILITY DISTRICT

**TABLE 15: WASTEWATER SYSTEM RATES AND CHARGES
EFFECTIVE JULY 1, 2012**

Residential Charge:

Service Charge (per account)	\$ 6.19	per month
Strength Charge (per dwelling unit)	\$ 6.11	per month
Flow Charge	\$ 0.663	per 100-cubic foot unit, to a maximum of 10 units

Non-Residential Charge:

Service Charge (per account)	\$ 6.19	per month
Treatment Charge	\$ 0.78-\$11.04	per unit, depending on the nature of the business
San Francisco Bay Pollution Prevention Fee	\$ 5.48	per month

Minimum Monthly Charge:

Duplex	\$ 18.81	per month
Triplex	\$ 25.12	per month

Permit Accounts:

Flow Charge	\$ 0.663	per hundred cubic feet
COD	\$ 0.241	per pound of discharge
Suspended Solids	\$ 0.372	per pound of discharge

Wet Weather Facilities Charge:

Residential Property	\$ 75.54	per year per dwelling unit per land parcel
Commercial/Industrial Property	\$113.30	per year per connection

Source: The District.

Historical Operating Results

Table 16 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 16: WASTEWATER SYSTEM HISTORICAL OPERATING RESULTS
AND DEBT SERVICE COVERAGE⁽¹⁾
FISCAL YEARS 2008 THROUGH 2012**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
WASTEWATER REVENUES⁽²⁾					
Dry Weather User Charges	\$46,161,065	\$47,085,272	\$48,764,326	\$50,909,726	\$55,191,460
Wet Weather Facilities Charges	13,668,761	14,343,156	15,311,295	16,063,834	17,228,380
Interest	5,657,085	2,876,216	1,197,034	1,076,342	856,218
Resource Recovery	6,957,871	7,663,488	7,590,010	9,403,337	9,061,029
Wastewater Capacity Fees	2,225,309	1,559,689	675,293	2,423,103	2,824,137
Other Revenue	<u>629,198</u>	<u>1,031,863</u>	<u>1,146,241</u>	<u>2,407,895⁽⁷⁾</u>	<u>3,173,662⁽⁷⁾</u>
TOTAL WASTEWATER REVENUE	\$75,299,289	\$74,559,684	\$74,684,199	\$82,284,237	\$88,334,886
WASTEWATER OPERATION & MAINTENANCE COSTS					
Operating Expenses	\$44,860,235	\$48,043,270 ⁽⁴⁾	\$44,712,916	\$49,553,385 ⁽⁵⁾	\$52,482,539
(Less Tax Receipts) ⁽³⁾	<u>(3,285,231)</u>	<u>(3,458,824)</u>	<u>(3,384,031)</u>	<u>(3,299,315)</u>	<u>(3,698,069)</u>
TOTAL WASTEWATER OPERATION & MAINTENANCE COSTS⁽⁴⁾	\$41,575,004	\$44,584,446	\$41,328,885	\$46,254,070	\$48,784,470
NET WASTEWATER REVENUES	\$33,724,285	\$29,975,238	\$33,355,314	\$36,030,167	\$39,550,416
PARITY DEBT SERVICE:					
Wastewater System Revenue Bonds ⁽⁵⁾	\$18,608,525	\$18,570,895	\$17,607,465	\$19,625,350	\$26,087,809
Parity State Loans	<u>1,551,097</u>	<u>1,551,097</u>	<u>1,551,397</u>	<u>1,326,979</u>	<u>0</u>
TOTAL PARITY DEBT SERVICE	\$20,159,622	\$20,121,992	\$19,158,862	\$20,952,329	\$26,087,806
PARITY DEBT SERVICE COVERAGE	1.67	1.49	1.74	1.72	1.52
SUBORDINATE WASTEWATER SYSTEM DEBT SERVICE⁽⁶⁾	\$ 4,312,555	\$ 4,098,074	\$ 3,999,467	\$ 3,911,879	\$ 33,300
TOTAL PARITY AND SUBORDINATE DEBT SERVICE	\$24,472,177	\$24,220,066	\$23,158,329	\$24,864,208	\$26,121,106
PARITY AND SUBORDINATE DEBT SERVICE COVERAGE	1.38	1.24	1.44	1.45	1.51

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

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

⁽³⁾ Operation and Maintenance Costs excludes 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. Restated from prior years' presentation to more accurately reflect application of tax receipts.

⁽⁴⁾ Increased Operation and Maintenance Costs in 2009 primarily due to higher costs of chemicals, higher energy consumption to produce oxygen for the Resource Recovery Program and higher administrative costs. Increased Operation and Maintenance Costs in 2011 and 2012 primarily due to higher costs of wastewater treatment plant operations, interception and pumping, and information technology and higher administrative costs.

⁽⁵⁾ Includes net swap payments. Net of capitalized interest.

⁽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.

⁽⁷⁾ Includes interest subsidy received in connection with Series 2010B Bonds which are Build America Bonds.

Source: The District.

EAST BAY MUNICIPAL UTILITY DISTRICT

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**Trustee for all Water System
Revenue Bonds and all
Wastewater System Revenue
Bonds**

Bakul Mehta
Wells Fargo Bank
333 Market Street, 18th Floor
San Francisco, CA 94105
(415) 371-3355 (tel)
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**Paying Agent and Registrar for
Wastewater System General
Obligation Refunding Bonds –
Series F**

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EBMUD FINANCE DEPARTMENT WEB SITE

Since September 1996, the District has listed 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.