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Drought is ending but water rates increase

EBMUD board votes in two-year hike

by Geoff Gillette

When the drought surcharge levied on water users throughout the area ends July 1, homeowners won't see a big change in their bills because at the same time a new rate increase will begin.

At their June 9 meeting, members of the East Bay Municipal Utility District Board of Directors adopted a two-year budget that will show a 15 percent rate increase, broken up over the two years.

The increase means that on July 1, homeowners will see a jump of about $2.88 per month on an average water bill. In the second year, it is estimated that the increase will be $2.71 per month, bringing the average water bill up to $38.66 per month.

EBMUD spokesman Charles Hardy said the directors approved the budget with an eye on maintaining good water conservation while at the same time dealing with a revenue shortfall that has grown over time.

"The shortfall is primarily due to the slowing of the housing market economically and the lack of water sales, which is one of our key ways of raising money," Hardy explained.

The utility has seen a decrease of $30 million due to the stagnant housing market and the declining water sales. At the same time EBMUD is dealing with more than $16 million in added costs in areas like debt service for capital projects, self insurance and employee salaries and benefits.

Hardy said that while there are ongoing projects that they will continue to fund, the utility is continuing to cut back on spending as a means of dealing with the slowed economy and its effects.

"Our new budget freezes 150 positions that won't be filled. It (the budget) made a number of cuts to things, from employee bonuses to delaying some projects," he said.

The news isn't all bad though. Hardy said the directors have concluded that the drought is ending, which means they were able to roll back the 10 percent drought rate surcharges that had been levied over the past two years. So residents who were paying the surcharges last year may not see any actual change to their bills next year and some may see a slight decrease.

Under normal circumstances, the district has a water supply of around 600,000 acre-feet in its reservoirs. When that number drops below 450,000, a water shortage emergency is declared and increased surcharges can be imposed.

Hardy said they are projecting the water supply to reach 540,000 acre-feet. In addition to ending the drought surcharge, the increased supply also means that mandatory water rationing has been scaled back to voluntary only. He added that they are still asking consumers to continue to cut down their water consumption.

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