

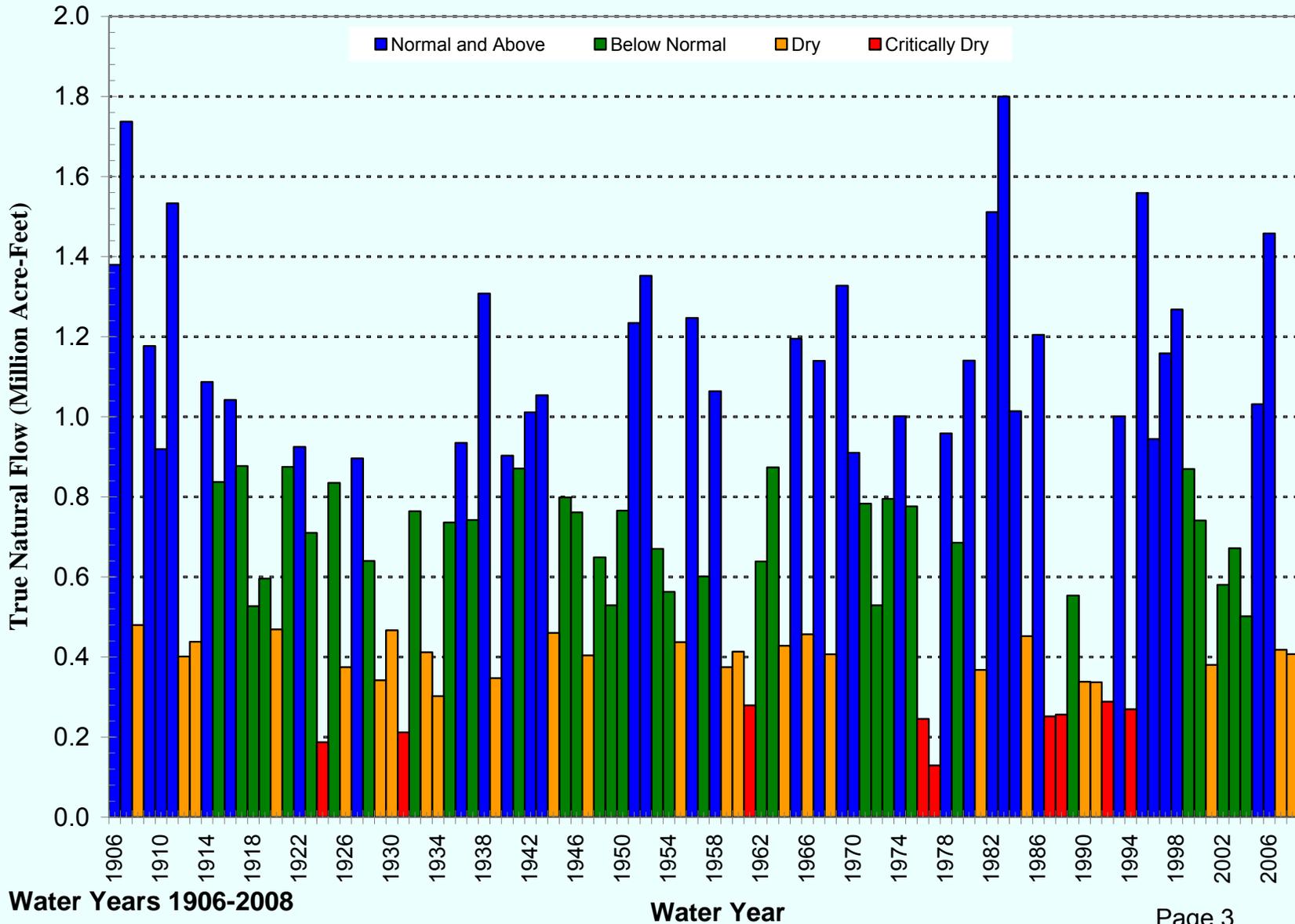


2008 Drought Status Update

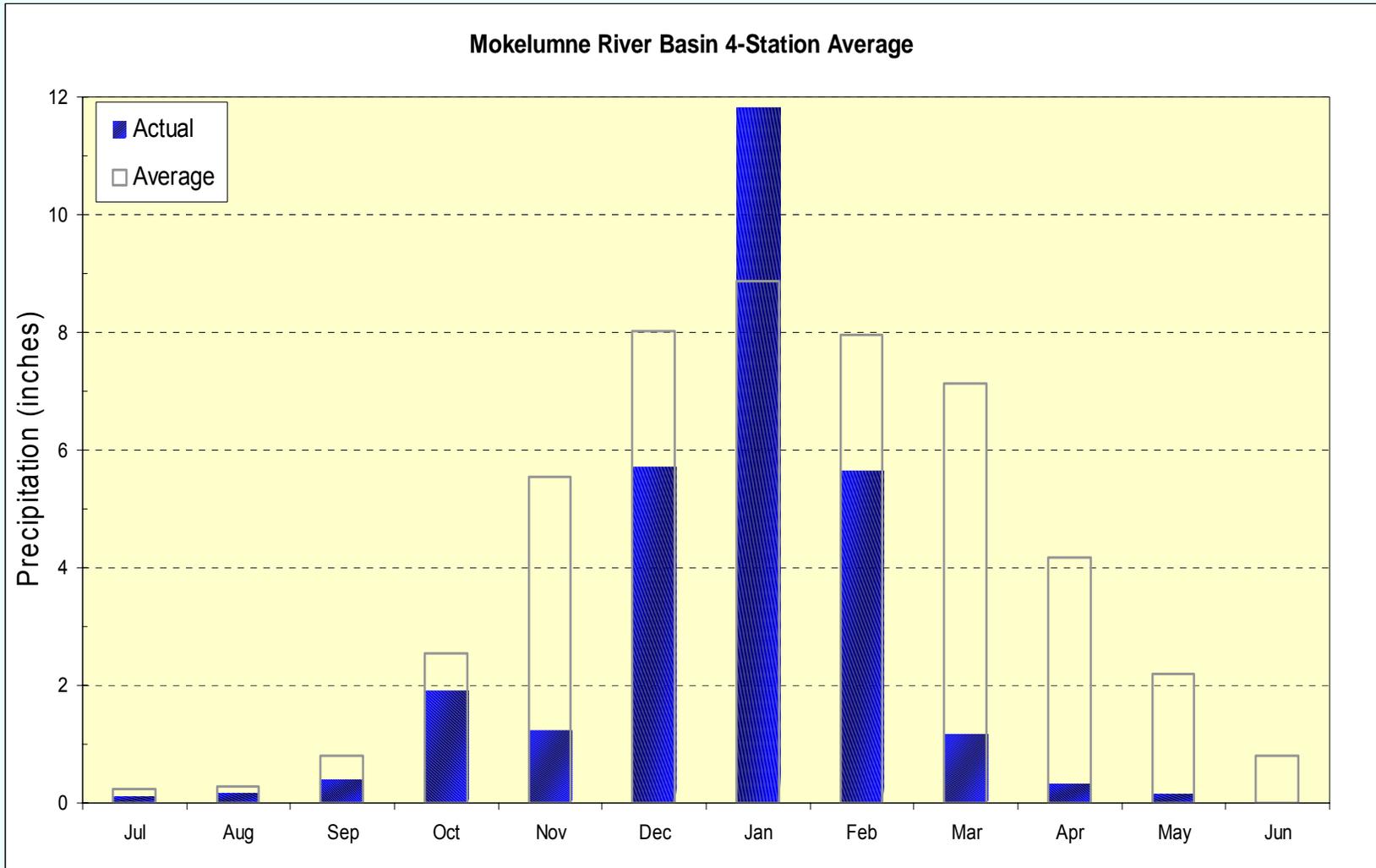
October 22, 2008

Water Year 2008

Mokelumne River Historic Water Supply Variability



FY08 Mokelumne Precipitation



2008 Water Year Summary

Total System Storage Changes 2008

Est. Year-end Storage (May 4)	415 TAF
Water Purchased	+ 6 TAF
Customer Conservation Savings	+ 12 TAF
Reduce Reservoir Inflow	<u>- 19 TAF</u>
Actual Year-end Storage (Sept 30)	414 TAF

Drought Declarations

End of Year Storage* (Thousand Acre-Feet)	Supply Condition	Demand Reductions Required
> 500	Normal Conditions	None (wise use encouraged)
450 - 500	Moderate Shortage	0 – 15% Voluntary
300 – 450	Severe Shortage	15 – 25% Mandatory
< 300	Critical Shortage	25% Mandatory

* May 4 estimate of how much water will be in reservoirs on September 30th.

Severe Water Shortage was declared May 13, 2008

- 💧 Mandatory rationing
- 💧 Temporary prohibitions
- 💧 15% District-wide savings goal
- 💧 Goals for each customer group
- 💧 Drought rates

Proposed Reduction Goals

District-wide goal: 15%

By Customer Classification

💧 Single Family Residential	19%
💧 Multi-Family Residential	11%
💧 Irrigation	30%
💧 Commercial	12%
💧 Institutional	9%
💧 Industrial	5%

Drought Management Program

- 💧 Increase Advertising and Media Outreach
- 💧 Increase Direct Contact with Customers
- 💧 Maintain Customer Service
 - In-person
 - Phone
 - Web Site
- 💧 Increase System Leak Repairs
- 💧 Minimize Pipe Flushing and Reuse the Water
- 💧 Reduce District Facility Use

Prohibited Uses

- Consecutive day watering
- “Watering” or washing patios and sidewalks
- Car-washing without a shutoff nozzle
- Non-recycling decorative fountains and ponds
- Non-essential public and construction uses



Adopted Guidelines

- Encourage indoor conservation and wise water use.
- Encourage prompt repair of leaks indoors and out.
- Discourage topping off pools and spas.
- Encourage customer water conservation at:
 - restaurants
 - gyms, spas and similar facilities
 - hotels and motels
- Encourage food preparation establishments to install and use high-efficiency pre-rinse spray nozzles.
- Encourage cutting outdoor watering by 30%.

Reaching Out to Customers

Getting the Message Out



- 💧 Community events
- 💧 City councils and civic group presentations
- 💧 EBMUD workshops
- 💧 Automated calls to customers
- 💧 Letters, newsletters, and e-mails
- 💧 Extensive advertising
- 💧 Signs at work sites

Working with Customers: Water Savings Team

- 💧 11 Water Savings Team employees hired
- 💧 Respond to water waste reports
- 💧 Distribute tent cards and stickers
- 💧 Assist with residential surveys
- 💧 Conduct on-site allocation verification
- 💧 Attend community events

Water Savings Team Activities

- 💧 1,307 water waste reports received
- 💧 1,513 contacts with customers made
- 💧 823 restaurants received tent cards
- 💧 31 health clubs received stickers
- 💧 48 Car washes visited and surveyed
- 💧 20,000 water saving devices distributed

Conservation Support

💧 Free Water Use Help

- Water saving tips
- Self-audit kits
- On-site surveys
- Water-saving devices

💧 Rebates

- Clothes washers
- Toilets
- Landscaping
- Business uses





www.ebmud.com/drought

Billed Water Use Results

Customer Class	Reduction Goal	August Actual Savings Rate	September Actual Savings Rate	Actual Savings Rate Sept/Aug Combined
Single Family	19%	17%	19%	18%
Multifamily	11%	8%	8%	8%
Commercial	12%	7%	10%	8%
Industrial	5%	9%	16%	13%
Institutional	9%	10%	6%	8%
Irrigation	30%	19%	23%	21%
All Classes	15%	14%	16%	15%

Based on customer consumption for bills issued during August and September.

Recycled Water Truck Program

- Trucks can fill up with recycled water at more than 10 locations in our service area.
- We've supplied more than 2 million gallons of recycled water to truck customers to date.



Our Recycling Partners

Current partner agencies:

- Central Contra Costa Sanitary District
- Dublin San Ramon Services District
- West County Wastewater District

Upcoming partners:

- City of San Leandro
- Livermore-Amador Valley Water Agency
- Oro Loma / Castro Valley Sanitary Districts

Flushing Water Pipes

- Flushing only occurs when required for water quality.
- Reusing flush water where feasible for:
 - irrigation
 - dust control



Leak Repairs

- 💧 Goal during drought is to repair every leak within seven days
- 💧 Added an additional leak repair crew
- 💧 Working every day of the week
- 💧 Emergency leaks repaired same day

Drought Rate Structure

- 💧 Volume rate increased 10% for all customer classes*.
- 💧 Customers provided water allocation**.
- 💧 If customers use more, they pay a surcharge of \$2 per unit (748 gallons) for each additional unit they use.
- 💧 Changes to allocation may be requested.
- 💧 Two groups are exempted from surcharges:
 - 💧 Low use residential (\leq 100 gallons per day).
 - 💧 Recycled and raw water customers.

***effective for billing periods beginning August 1, 2008**

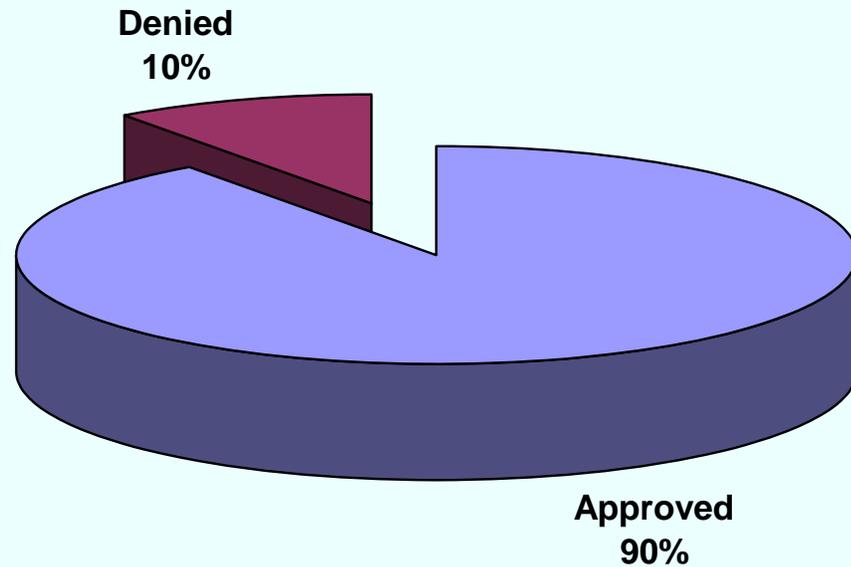
****based on historical usage, FY05-07**

Customers Exceeding Their Allocation

- 💧 Review the customer's water allocation
- 💧 Offer a customer water use audit
- 💧 Offer rebates and training

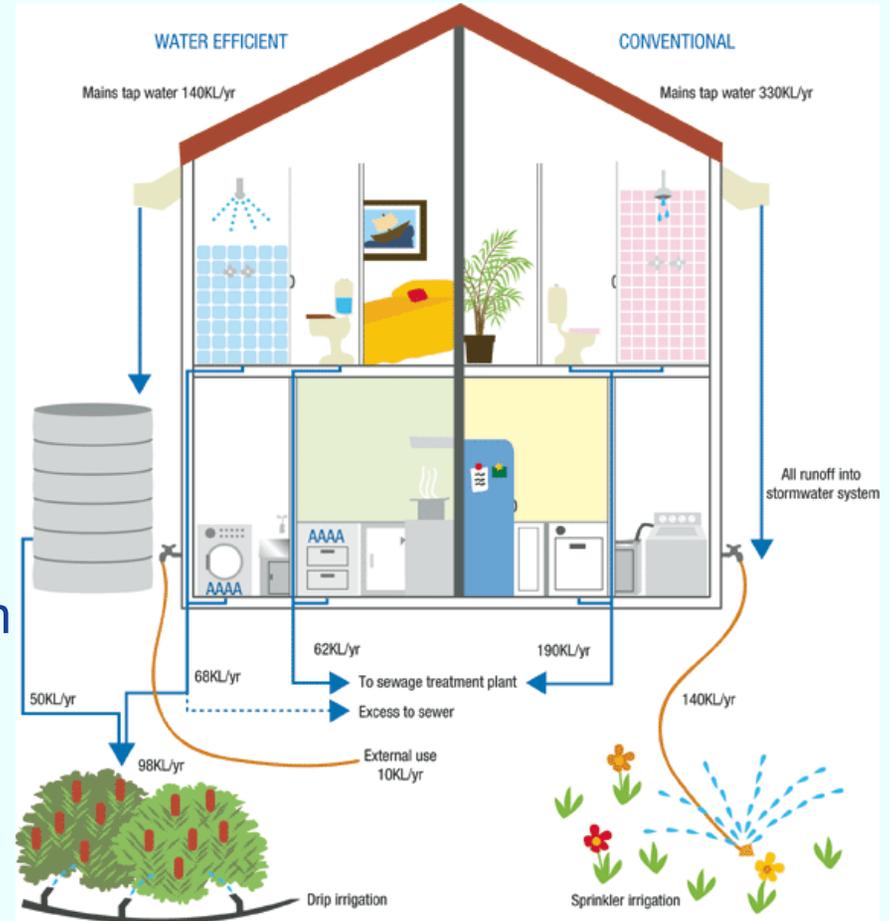
Allocation Adjustments

ALLOCATION ADJUSTMENTS 7000 REQUESTS RECEIVED



But I *Already* Conserve!

- 💧 Thank you!
- 💧 Drought surcharge:
 - Only if you don't cut use 10% (for homes)
 - Allocation adjustment process
- 💧 Under 100 gpd—
 - Account is exempt from drought charges



Estimated Customer Impact of Surcharge

Breakdown of Drought Surcharges for August and September Bills*

% of Customers	Drought Surcharge
73%	NONE
13%	\$0-\$10
5%	\$10-20
6%	\$20-\$50
2%	\$50-\$100
1%	\$100-\$200
1%	\$200+
----- Total 100%	

*Drought Surcharges affect bills after 10/1/08. This analysis shows what the impacts would have been for August 15 - September 15 bills if the surcharge had been in effect.

Managing Drought's Costs

- 💧 Use \$31M of \$43M in drought reserve
- 💧 Reallocate staff and resources
- 💧 Increase volume rates 10%
- 💧 Customized water use allocations based on pre-drought water use
- 💧 Charge \$2 drought surcharge on consumption above allocation

Drought Impact on Budget

💧 \$52 million in drought “costs”

- Lost revenue from reduced water sales \$48 m
- Cost of the drought management program \$ 5 m

💧 \$52 million to “balance” the budget

- Drawing down over half of drought reserve \$31m
- Drought rates and surcharges revenue \$21m

Next Steps: Keep Saving Water

💧 Reminders

- Turn off irrigation in cooler months
- Skip fall planting if you can; plant drought tolerant if you must
- Fix leaks, shorten showers, full loads only
- Take advantage of rebates to save money and water



A faucet dripping once every other second wastes 3 gallons a day; a leaky toilet can waste up to 7,000 gallons a month

Next Steps: Water Supplies

- 💧 Water purchases
- 💧 Freeport
 - On schedule for 2009
 - Will help avoid more severe rationing in the coming year is dry
- 💧 Groundwater storage
- 💧 Desalination
- 💧 More recycled water

