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**ZONE 7 APPROVES 5.16% RATE INCREASE**  
*Funds to cover water quality improvements, water reliability*

LIVERMORE – The Zone 7 Board of Directors last night approved a 5.16 percent rate increase in wholesale water rates in the Valley. If Water Retailers pass on the full amount to consumers, the increase would add about \$1.21 to the monthly water bill for the average family of four. The funds will cover Zone 7 projects including:

- Powdered, activated carbon to improve water taste and odor
- Construction of well head demineralization facilities to reduce water hardness
- Sludge handling to increase treatment plant capacity
- Replacement of aging facilities to maintain water reliability

“We are always concerned about maintaining low costs for our customers” said Board President John Greci. “These projects reflect our commitment to water quality and reliability, and paying for them as we go to keep costs down in the long run,” he continued.

The 2006 water rate will also cover increases in the cost of power to run the treatment plants, water purchased from the state, chemicals to treat the water, environmental permitting, and personnel. Zone 7 relies on imported water from the state to supply 75 percent of the Valley’s demand. The remaining water supply comes from local run-off and surface water stored in the groundwater basin. To keep costs down, Zone 7 Board approved policy limiting annual growth in operating budgets to three percent. Zone 7 water rate increases have averaged less than one percent per year over the last five years. The Bay Area Consumer Price Index has increased on average about 2.4% per year over the same period.

Zone 7 supplies, treats and transports water to four water retailers in the Valley: California Water Services (serving parts of Livermore), Dublin San Ramon Service District, City of Livermore, and the City of Pleasanton. Under the new rate, Zone 7 will charge its retailers \$591 per acre-foot of water. An acre-foot of water is enough to supply two average families of four for one year.

The new water rate will take effect January 1, 2006.

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*Zone 7 Water Agency is one of the 10 active zones of the Alameda County Flood Control and Water Conservation District. The District was established by the State Legislature in October 1949 to solve problems of flooding, drainage, channel erosion and water supply and conservation in Alameda County. A seven-member board of directors governs Zone 7. Along with flood control, Zone 7 supplies water to all of eastern Alameda County and a population of more than 183,000. Treated water is sold wholesale to local retailers, including the cities of Livermore and Pleasanton, the Dublin San Ramon Services District, and the California Water Service Company. Zone 7 also distributes untreated water to local agriculture operations and golf courses.*