

For Immediate Release
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Contact: Dale Myers
(925) 454-5000

ZONE 7 BOARD APPROVES 2005-2006 BUDGET

Spending increase earmarked to replace aging water system and flood control channels, improve water quality

Livermore – The Zone 7 Board of Directors last night approved a \$119 million budget for fiscal year 2005-2006, a 7.2 % increase from the previous year. The additional spending is earmarked to provide and treat Valley water; replace aging pipes, pumps, and water treatment facilities; maintain flood control channels; and construct projects to improve the taste, odor and hardness of Valley water. In total, capital projects increased by \$8.6 million over FY 2004-2005. Zone 7 reduced its operating costs by nearly \$1 million.

“The budget reflects our commitment to investing in the Valley’s water delivery and treatment system and to keep our long-term costs down,” said Board President Stephen Kalthoff. “It also responds to customer concerns about water hardness, taste, and odor,” he continued.

Projects slated for funding in FY 2005-2006 include:

- \$27.2 million for wellhead demineralization (funded by connection fees and water rates)
- \$1.2 million for emergency generators and security (funded by water rates)
- \$.4 million for water quality system improvements at Del Valle and Patterson Pass Water Treatment Plants (funded by water rates)
- \$7.5 million for design and property acquisition for the future Altamont Water Treatment Plant and pipeline (funded by connection fees)
- \$1.2 million for Chain of Lakes management plan and facilities (funded by connection fees)

The budget projects a possible rate increase of 5% beginning in January 2006 to cover the increased cost of water operations and projects to repair, replace, and improve the existing system. Zone 7 will officially set its water rates in September and October, after revenue from water sales can be applied towards existing system costs. Other capital project costs will be funded by new connection fees paid by developers. Zone 7’s long-standing fiscal policy dictates that existing customers pay to maintain the water system, while new growth in the Valley pays to expand the system.

Zone 7’s fiscal year runs from July 1 – June 30. Alameda County maintains approval authority over the Zone 7 budget, which the Board of Supervisors will consider as part of the larger County budget in June.

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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.