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Zone 7 to Consider Water Rate Increase
Cost of Improved Water Reliability a Big Factor

Livermore – The board of the Zone 7 Water Agency, the water wholesaler for Livermore, Pleasanton and Dublin, was presented Wednesday night with a proposed 7.4 percent increase in 2007 water rates. The board will consider the increase at its Oct. 18 meeting.

Agency staff said the rate increase is needed largely to cover Zone 7's higher costs for state water, and to enhance water reliability during droughts by expanding its offsite underground water-banking program.

A portion of the increase would result from projects aimed at improving water quality. This year's upgrades to treatment processes are allowing the agency to reduce some of the earthy-musty tastes of imported surface water supplies. Meanwhile, increased treatment-plant production is allowing the agency to rely less on groundwater supplies, thereby reducing overall water "hardness" to many customers. In addition, zone 7 is in the planning and design stage for a demineralization facility to reduce groundwater hardness.

The agency also faces increased costs of chemicals used in the water-treatment process due to higher natural gas prices. Other factors contributing to the rate-hike proposal include increased costs of services and supplies due to inflation, along with negotiated Zone 7 salary increases.

The proposed increase would add approximately \$1.83 per month to the typical household

water bill if retailers – Pleasanton, Livermore, the California Water Service Co. and the Dublin San Ramon Services District - pass 100 percent of the hike on to their customers.

Zone 7 did not increase rates in 2004 and 2005. The current year's 5.16 percent increase was primarily due to water-quality improvements to address taste and odor concerns.

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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. In 1957, by popular vote, Zone 7 became a special district governed by a seven-member board of directors. Along with flood protection, Zone 7 supplies water to all of eastern Alameda County and a population of more than 190,000. 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.