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Zone 7 Board Holds the Line on Water Rates
Rates will remain unchanged in 2013, and increase only modestly in 2014

Thanks to continued cost efficiencies, Zone 7 Water Agency’s Board of Directors has been able to hold wholesale treated water rates in 2013 to current levels, and to limit a rate increase in 2014 to the current inflation rate of 2.65 percent.

The rate for 2014 will add approximately $1.04 a month to the typical household bill assuming the increase is fully passed on by water retail agencies serving Pleasanton, Livermore, Dublin and Dougherty Valley.

“We remain committed to providing a high level of service while doing everything we can to control costs,” Board President Sarah Palmer said following the Board’s October 17 vote. “Despite significant ongoing financial pressures facing water agencies throughout the state, Zone 7 has made significant strides in cutting operating costs on behalf of its ratepayers.”

Since the 2009-10 fiscal year, Zone 7 has cut its annual operating budget by more than $4 million. Continuing efficiency measures include a soft hiring freeze, employee benefit and cost-of-living wage concessions, lowered costs of outside contracts by maximizing use of in-house resources, and reduced chemical costs by participating in a consortium of Bay Area water agencies that purchase common treatment chemicals and can achieve savings through high-volume buying. The agency is also reducing energy costs through operation of a new solar
facility at the Del Valle Water Treatment Plant and participation in PG&E’s Peak Day Pricing program.

This is the first time that Zone 7 has set rates for a two-year period rather than annually. Setting rates on a two-year basis provides greater predictability and stability, both for Zone 7 and for its customers. This approach also streamlines the rate-setting process, which significantly improves efficiencies by reducing administrative staff time spent on water rates.

The Board vote was 6-1. The Board majority said limiting the increase in 2014 to the current 2.65 percent rate of inflation was a modest way to raise at least some additional revenue to help ensure the agency can meet its fiduciary responsibility. Board member Angela Ramirez Holmes dissented. She preferred no rate increase in either year.

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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 approximately 220,000. 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.