



## PRESS RELEASE

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### **COUNCIL SUSPENDS CITY'S ANNUAL RATE INCREASE ON UTILITIES**

*City's Portion of Automatic Consumer Price Index Increase Suspended for One Year*

PLEASANTON, *Calif.* — The Pleasanton City Council voted last night to suspend for one year the City's portion of the automatic Consumer Price Index (CPI) increase on water and sewer rates for 2017 in an effort to provide some relief to Pleasanton's utility customers. The estimated loss in revenue to the City's Water and Sewer Fund is approximately \$600,000, and the shortfall will be managed by postponing some planned maintenance projects.

"Pleasanton, like many other water customers throughout the state, have seen their water rates increase as a result of the drought" said Nelson Fialho, city manager for Pleasanton, adding "but in our community, we want to provide a bit of relief to our customers in recognition of their conservation efforts, which exceeded the state mandate of 25 percent water reduction during the drought."

In October 2015, the city council approved a new master fee schedule for water and sewer rates and authorized automatic CPI based adjustments to the Pleasanton portion of customers' utility bills as a way to ensure the City's water and sewer enterprise funds remain solvent. The water and sewer

rates collected by the City are used for maintenance and operation of the distribution system, which enables the delivery of water to households and sewage to the DSRSD treatment plant. The city council voted unanimously to suspend this automatic increase for 2017 in an effort to provide some relief to its customers.

With regard to Pleasanton's portion of the water and sewer utility managed by the City, Fialho added that "using less water and paying more for it has been hard on all of us, and it's an understatement to say that water pricing is complicated. There are fixed costs to water and its delivery that will never go away, but we wanted to do something to give consumers a break, and I'm just glad that the City is in the position to provide this relief, even if it is temporary," Fialho concluded.

Tri-Valley Water Retailers including the City of Pleasanton receives its water from the Zone 7 Water Agency, the Tri-Valley's water wholesale provider. The Zone 7 board is a separately elected governing body that sets rates on behalf of the region it serves. The Zone 7 Board of Directors approved new water rates that will take effect in January 2017 and will increase the water portion of consumers' utility bills by 18.7 percent (from \$3.15 to \$3.74 for every Ccf of water consumed). Like many other water wholesale providers throughout the state, the Zone 7 board approved this rate increase in order to recover revenues that were lost during the drought, maintain the infrastructure needed for water delivery and manage the groundwater basin.

The City's action Tuesday night is unrelated to the Zone 7 action to increase rates. The Zone 7 Board of Directors meets on the third Wednesday of each month. The next board meeting will be December 21, 2016 at 7 p.m. at 100 North Canyons Parkway, Livermore. All meetings are open the public. For more, visit [www.zone7water.com](http://www.zone7water.com)

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