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EBMUD PURSUES SACRAMENTO RIVER WATER SUPPLY

On January 23, EBMUD's Board of Directors voted 6-0 to sign a memorandum of agreement to study a joint regional water project on the Sacramento River near Freeport. The partners in the agreement include the City of Sacramento, the County of Sacramento, and the U.S. Bureau of Reclamation.

RATIONING RISK REDUCED

The proposed water supply project includes a river diversion point, water treatment and pumping facilities, and pipes to convey the water to the Sacramento partners and the East Bay.

EBMUD General Manager Dennis M. Diemer said, "We are very optimistic that this project will deliver the dry year water needed to reduce the frequency and severity of East Bay drought rationing, within five years and at reasonable cost."

The EBMUD part of the project will cost up to \$350 million, roughly the amount expected for other supply alternatives studied previously. Diemer termed that a reasonable cost for customers who risk rationing in three out of 10 years without a supplemental water supply. He added,

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East Bay Municipal Utility District 375 11th Street Oakland, CA "These costs have been planned for in EBMUD's future rate projections and the joint project partnership may reduce EBMUD costs through economies of scale."

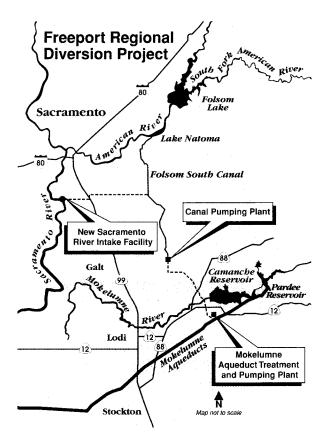
Immediately after the agreement was signed, the project team began identifying studies needed to move forward with the joint proposal.

DECISIONS BY EARLY SUMMER

John Lampe, EBMUD Director of Water Planning and Natural Resources, said, "We'll be supplementing the many studies that already exist with information about the river and

habitats that are specific to this joint project." Lampe said the research should be done by early summer, which would allow the parties to sign a Project Implementation Agreement specifying how the work will be completed to get the new water supply flowing.

Senator Dianne Feinstein, who is widely credited for bringing the parties together for this joint effort, said, "The process undertaken by these agencies exemplifies how two regions, which have been fighting for 30 years over water, can finally come to an agreement on a divisive water issue. I am hopeful that this process will serve as a model that other agencies can follow when working out their water disputes."



A new intake on the Sacramento River a mile north of Freeport would link to the Folsom South Canal, which would transfer water to another new pipeline.