ZONE 7 WATER AGENCY
Delivering Quality, Reliability and Safety

100 North Canyons Parkway
Livermore, CA 94551
(925) 454-5000

NOTICE OF REGULAR MEETING OF BOARD OF DIRECTORS

DATE:	Wednesday, October 15, 2025
TIME:	6:00 p.m. Closed Session
	7:00 p.m. Open Session (time approximate)
LOCATION:	Zone 7 Administration Building
	100 North Canyons Parkway, Livermore
LIVE STREAMING:	Comcast Channel 29
	AT&T U-Verse Channel 99 (Livermore)
	Streaming Live at tv29live.org

THERE IS NO HYBRID OPTION AVAILABLE FOR THIS MEETING.

Any member of the public wishing to address the Board on an item under discussion may do so upon receiving recognition from the President. If the public wishes to provide comment before the meeting, please email publiccomment@zone7water.com by 5:00 p.m. on Tuesday, October 14.

In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available at the Zone 7 Administrative Building lot. If you are a person with a disability and you need disability-related modifications or accommodations to participate in this meeting, please contact the Executive Assistant, Donna Fabian, at (925) 454-5000. Notification 48 hours prior to the meeting will enable Zone 7 to make reasonable arrangements to ensure accessibility to this meeting. {28 CFR 35.102-35, 104 ADA Title II}.

AGENDA

1. Call Zone 7 Water Agency Meeting to Order

2. Closed Session

    a. Conference with Labor Negotiators pursuant to Government Code § 54954.5: Agency Negotiators: Valerie Pryor/Osborn Solitei/Shelisa Jackson. Employee Organizations: Alameda County Management Employees Association; Alameda County Building and Construction Trades Council, Local 342, AFL-CIO; International Federation of Professional and Technical Engineers, Local 21, AFL-CIO; Local 1021 of the Service Employees International Union, CTW; Unrepresented Management

    b. Conference with Legal Counsel – Existing litigation pursuant to Gov't Code § 54956.9(d) (1): (1) State Water Contractors v. California Department of Fish & Wildlife (JCCP Case No. 5117), (2) Stark v. Alameda County Flood Control and Water Conservation District, Zone 7 (Alameda County Superior Court Case No. 22-CV-5837), (3) Bautista v. Alameda County Flood Control and Water Conservation District, Zone 7 (Alameda County Superior Court Case No. 22-CV-10679); (4) In re: Aqueous Film-Forming Foams Products Liability Litigation (S.D. South Carolina, MDL No. 2: 18-mn-2873-RMG); (5) (Paragraph (1) of subdivision (d) of § 54956.9) Tulare Lake Basin Water Storage District v. California Department of Water Resources, Sacramento County Superior Court Case No. 24WM000006 and related cases.

    c. Conference with Legal Counsel (Anticipated Litigation) – Initiation of litigation pursuant to § 54956.9(c) (one case)

3. Open Session and Report Out of Closed Session

4. Pledge of Allegiance

5. Roll Call of Directors

6. Public Comment on Non-Agenda Items
   The Public Comment section provides an opportunity to address the Board of Directors on items that are not listed on the agenda, or informational items pertinent to the agency's business. The Board welcomes your comments and requests that speakers present their remarks in a respectful manner, within established time limits, and focus on issues which directly affect the agency or are within the jurisdiction of the agency. The Board will not be able to act on matters brought to its attention under this item until a future board meeting.

7. Minutes
    a. Regular Board Meeting Minutes of September 17, 2025

8. Consent Calendar
    a. Award a Contract for On-Call Operated Equipment Supply for Maintenance and Emergency Work for Flood Control Facilities
    b. Authorize a License Agreement with Adams Pool Solutions for Real Property Adjacent to Tassajara Creek
    c. Approve the Commercial Use of the Septic System at Shanti Wines, 5443 Tesla Road
    d. Approve the Commercial Use of the Septic System at Chekuri Vineyards, 8437 Tesla Road

    Recommended Action: Adopt Resolutions

9. Proposed Untreated Water Rate for Calendar Year 2026

    Recommended Action: Adopt Resolution

10. Request for Out-of-State Travel to Attend Upcoming Association of California Water Agencies' Washington D.C. Conference

    Recommended Action: Discuss and Provide Direction

11. Committees
    a. Finance Committee Meeting Notes of September 10, 2025

12. Reports – Directors
    a. Verbal Comments by President
    b. Written Reports
    c. Verbal Reports

13. Items for Future Agenda – Directors

14. Staff Reports
    a. General Manager's Report
    b. September Outreach Activities
    c. Monthly Water Inventory and Water Budget Update
    d. Legislative Update
    e. FY 2024-25 Unaudited Fourth Quarter Revenue and Expenditure Report

15. Adjournment

16. Upcoming Board Schedule: (All meeting locations are in the Boardroom at 100 N. Canyons Pkwy., Livermore, unless otherwise noted.)
    a. Finance Committee Meeting: November 12, 2025, 3:00 p.m.
    b. Regular Board Meeting: November 19, 2025, 7:00 p.m.

ITEM NO. 7a

ZONE 7 WATER AGENCY
Delivering Quality, Reliability and Safety

100 North Canyons Parkway
Livermore, CA 94551
(925) 454-5000

MINUTES OF THE BOARD OF DIRECTORS
ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

REGULAR MEETING

September 17, 2025

Directors Present: Dawn Benson
Catherine Brown
Sandy Figuers
Dennis Gambs
Laurene Green
Kathy Narum
Sarah Palmer

Staff Present: Valerie Pryor, General Manager
Chris Hentz, Assistant General Manager – Engineering
Osborn Solitei, Treasurer/Assistant General Manager – Finance
Ken Minn, Water Resources Manager
Donna Fabian, Executive Assistant

General Counsel: Rebecca Smith, Downey Brand

Item 1 – Call Zone 7 Water Agency Meeting to Order

The Zone 7 Water Agency meeting was called to order by President Narum at 7:00 p.m.

Item 2 – Closed Session

The Board entered Closed Session at 6:00 p.m., Director Figuers arrived at 6:37 p.m., and the Board adjourned at 6:49 p.m.

Item 3 – Open Session and Report Out of Closed Session

President Narum stated that there was no reportable action from Closed Session.

Item 4 – Pledge of Allegiance

Director Benson led the Pledge of Allegiance.

Item 5 – Roll Call of Directors

All Board members were present.

Item 6 – Public Comment

No public comments were received.

Item 7 – Minutes

Director Benson moved to approve the minutes of the regular Board meeting held on August 20, 2025. The motion was seconded by Director Palmer and approved unanimously by a voice vote of 7–0.

Item 8 – Consent Calendar

Under Item 8d, the Board considered the official appointment of the Board Secretary. Director Benson commended Donna Fabian for her dedication and contributions, noting it was an honor for the Board to take this action and expressing appreciation for her continued support and professionalism. Director Gambs agreed, adding that the Agency is fortunate to have Ms. Fabian in this role, praising her problem-solving skills, work ethic, and professionalism. Director Green also thanked Ms. Fabian for her service, recognizing her efforts in keeping the Board organized and on track.

Director Benson moved to approve Consent Calendar Items 8a through 8d. The motion was seconded by Director Gambs and approved by a roll call vote of 7–0.

Item 9 – Livermore Valley Hydrogeological Investigations and Groundwater Model Update

Ken Minn, Water Resources Manager, introduced the item and emphasized its importance in supporting the Agency's strategic goals related to water supply diversification, PFAS management, and sustainable groundwater management. He explained that the Agency's existing groundwater model, developed nearly ten years ago, required refinement to incorporate new data and advanced methodologies. The update aimed to define basin characteristics more accurately, minimize assumptions on hydrogeology, and develop a more accurate conceptual model of the basin. He noted that the Department of Water Resources had previously recommended expanding the model to cover the entire basin, including upland fringe areas not captured in earlier versions.

Consultants Aaron Lewis, lead hydrogeologist and project manager, and Anona Dutton, Vice President and Director of Water Resources at EKI Environment & Water, attended. Mr. Lewis presented the findings of the two-year project. He described the field investigations conducted to fill data gaps, including aquifer pumping tests and geophysical surveys, which helped refine the understanding of aquifer properties, connectivity, and recharge mechanisms. These data, along with decades of Zone 7 monitoring information, were integrated into a three-dimensional geologic model using Leapfrog software. The model incorporated more than 1,000

boreholes, multiple geophysical datasets, and historical cross-sections to create a detailed stratigraphic framework of the basin.

Mr. Lewis reported that the updated model significantly improves upon the 2016 version by extending coverage through water year 2023, expanding the model boundaries to the full basin, refining grid cell size in production areas, and directly representing surface water features and lakes. Hydraulic properties are now informed by empirical data rather than uniform assumptions, resulting in a well-calibrated model that meets or exceeds industry standards. He emphasized that the model can now reliably simulate groundwater levels, streamflow, and water quality trends, and provides a robust tool for forecasting future conditions under varying hydrologic and operational scenarios.

Directors asked questions regarding the representation of faults, the value of pumping tests, the potential for barriers or subsidence, and outstanding data gaps. Mr. Lewis explained that while faults were not explicitly included in the model, geologic variability was represented through stratigraphy and aquifer properties, and no significant hydraulic barriers or faults had been observed during field investigations. He acknowledged that uncertainties remain, particularly regarding the northern extent of the basin, but overall the updated model reflects the most comprehensive understanding to date such as it integrated electrical resistivity logs, geophysical data, aerial electromagnetic data and pumping test data. Directors also discussed recharge potential in the Chain of Lakes, basin boundaries, and the model's value in guiding long-term drought planning and SGMA compliance.

President Narum asked about recalibration frequency, and Mr. Lewis recommended reviewing the model every five years and updating it with new data as needed.

Mr. Minn then explained how staff applied the model to evaluate the Regional Groundwater Facility project in partnership with the City of Pleasanton. Various scenarios were tested, including maximum pumping at potential new well sites and implementing PFAS management strategies. The model confirmed that the basin would remain sustainable under these scenarios, with no significant interference to other basin users such as SFPUC or the Alameda County Fairgrounds. PFAS mobilization was also analyzed, and results indicated that concentrations would not exceed the USEPA's maximum contaminant level, with wells designed and operated to sustainably manage the groundwater basin.

Directors discussed the PFAS modeling, the influence of pumping on plume behavior, and the importance of continued monitoring.

Public comment was received from Pleasanton resident Jim Lehrman.

Mr. Minn concluded that the study demonstrated the basin's sustainability, the effectiveness of Zone 7's PFAS management strategy, and the viability of pursuing new regional wells. He noted that the next step would be completing the feasibility study and returning to the Board in November with recommendations on cost allocation between Pleasanton and Zone 7, schedules, and developing production wells, pipeline and treatment facility upgrade.

Item 10 – Declaration of Flood Preparedness Week: October 18-25, 2025

Ms. Pryor presented the annual resolution to declare October as Flood Preparedness Week, noting this is the 13th year of the statewide event in partnership with the Department of Water Resources. She highlighted Zone 7's digital outreach campaign featuring the *Flood Ready Freddy* videos, additional social media posts, and the upcoming in-person "Water Wonders of Zone 7" Open House on Saturday, October 18, from 10:00 a.m. to 2:00 p.m., which will include information on water supply and reliability, with an emphasis on flood preparedness.

Director Gambs moved to adopt the resolution, seconded by Director Green. The motion passed by a roll call vote of 7–0.

Item 11 – Committees

There were no Board comments on the Legislative, Water Resources, and Finance Committee meeting notes.

Item 12 – Reports - Directors

President Narum reported attending, along with Director Green, a workshop with the Pleasanton City Council and Planning Commission regarding the Chain of Lakes. She emphasized the importance of protecting groundwater quality and noted that recreational uses such as kayaking and fishing were discussed. President Narum added that the key outcome was that the City Council, Planning Commission, City Manager, and property owner all heard the same information.

Director Palmer reported that ACWA is continuing its Executive Director search, with findings expected at the upcoming board meeting. She also attended the Alameda County Special Districts Association (ACSDA) meeting on September 10 at CVSan, which included a Brown Act review, discussion on handling hate speech during meetings, and a tour of CVSan's new office. She encouraged Board members interested in leadership opportunities and certificates to explore ACSDA programs. She also noted the ACSDA annual dinner fee increase to $75 and highlighted upcoming events: the ACWA Region 5 event at SFPUC on September 25–26, the ACWA Region 2 tour, and the Water Education Foundation's Water Summit on October 1, 2025.

Item 13 – Items for Future Agenda – Directors

No items were requested for consideration at a future Board meeting.

Item 14 – Staff Reports

There were no comments or questions on any staff reports.

Item 15 – Adjournment

President Narum adjourned the meeting at 9:14 p.m.

ITEM NO. 8a

ZONE 7 WATER AGENCY
Delivering Quality, Reliability and Safety

100 North Canyons Parkway
Livermore, CA 94551
(925) 454-5000

ORIGINATING SECTION: Flood Maintenance
CONTACT: Mike Miller

AGENDA DATE: October 15, 2025

SUBJECT: Award a Contract for On-Call Operated Equipment Supply for Maintenance and Emergency Work for Flood Control Facilities

SUMMARY:

- This action supports Zone 7's mission to deliver safe, reliable, efficient, and sustainable flood protection services and in support of Strategic Plan Goal E – Effective Flood Protection, Initiative #13 – Continue to repair and maintain the flood protection facilities.
- Zone 7 has an ongoing need for operated equipment services to provide equipment, qualified operators, and materials perform as-needed improvements, repairs and maintenance to Zone 7's flood control and the Chain of Lakes facilities and respond to emergencies. This contract will also complete sediment removal projects at several locations, pending receipt of permits, in addition to typical as-needed repairs.
- Consistent with Zone 7's purchasing policy, a request for quotes (RFQ) No. 2025-12 for operated equipment supply services was publicly advertised on September 4, 2025, and received three quotes on October 7, 2025. Staff reviewed the quotes and determined that the lowest responsive and responsible bidder is Brannon Corporation.
- Previous contracts awarded by flood maintenance and flood engineering incurred expenditures of approximately $6.9 million over the past three years. Staff propose a contract in an amount of $6 million for the first three years plus an additional $4 million for two subsequent years. The flood maintenance and engineering departments do not have sufficient in-house resources to perform the required volume of work.
- Staff recommends that the Board:
  1) Authorize the General Manager to execute a three-year contract with Brannon Corporation, in a total amount not-to-exceed $6,000,000; and,
  2) Authorize the General Manager to extend the contract for up to two additional one-year terms, based on satisfactory performance, for a total five-year not-to-exceed contract amount of $10,000,000.

FUNDING: Funding is included in the proposed budget for FY 2025-26 for Fund 200 – Flood Maintenance and Fund 200 – Flood Engineering. Funding for additional years will be requested in subsequent budget requests.

RECOMMENDED ACTION: Adopt the attached Resolution.

ATTACHMENT: Resolution

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO. 25-

INTRODUCED BY DIRECTOR
SECONDED BY DIRECTOR

Award Contract for Operated Equipment Supply Contract for Maintenance and Emergency Work for Flood Control Facilities

WHEREAS, Zone 7 of the Alameda County Flood Control and Water Conservation District has a need for as-needed operated equipment services to perform repairs to flood control facilities and Chain of Lakes area as well as respond to emergencies; and

WHEREAS, the project is in support of Strategic Plan Goal E – Effective Flood Protection, Initiative #13 – Continue to repair and maintain the flood protection facilities; and

WHEREAS, following established practices, Zone 7 issued a request for quotes and received quotes from three (3) contractors; and

WHEREAS, staff has reviewed the quotes and determined that the lowest responsive and responsible bidder is Brannon Corporation.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District hereby authorizes the General Manager to negotiate, execute, and amend a contract with Brannon Corporation, for operated equipment supply for maintenance and emergency work for Flood Control facilities for a three-year term in an amount not-to-exceed $6,000,000; and

BE IT FURTHER RESOLVED that the Board of Directors does hereby authorize the General Manager to extend the contract for up to two additional one-year periods for a total five-year contract in an amount not-to-exceed $10,000,000 based on satisfactory performance.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on October 15, 2025.

By: _____
President, Board of Directors

ZONE 7 WATER AGENCY
Delivering Quality, Reliability and Safety

100 North Canyons Parkway
Livermore, CA 94551
(925) 454-5000

ORIGINATING SECTION: Flood Protection Engineering
CONTACT: Jeff Tang/Edward Reyes

AGENDA DATE: October 15, 2025

SUBJECT: Authorize a License Agreement with Adams Pool Solutions for Real Property Adjacent to Tassajara Creek

SUMMARY:

- To support Zone 7's mission to deliver safe, reliable, efficient, and sustainable flood protection services and consistent with Zone 7's Strategic Plan Goal E – Effective Flood Protection and Goal H – Fiscal Responsibility, Zone 7 enters into agreements to allow use of Zone 7 rights-of-way while maintaining flood protection.

- Zone 7's flood protection facility Line K (Tassajara Creek) includes an access road that extends to Old Santa Rita Road in Pleasanton (Exhibit A). Zone 7 approved license agreements with Tony Adams, doing business as (dba) Adams Pool Solutions, since 1986 allowing use as a parking lot for their business at 3675 Old Santa Rita Road. The License Agreement was revised in 2007 and has since been renewed annually. Adams Pool Solutions is responsible for ensuring Zone 7 has continuous, unhindered access to Tassajara Creek for flood protection and maintenance within the licensed area. No permanent structures are allowed within the licensed area.

- Staff proposes entering a new License Agreement with Adams Pool Solutions with an initial five-year term and an option of three additional three-year terms, at Zone 7's sole discretion. A 14-year total lease period provides valuable lease revenue to Zone 7, provides certainty for the Licensee to continue to utilize the parcel for their business, and will not impact Zone 7 flood protection operations.

- The proposed license fee for Fiscal Year 2025-26 is $24,273, with a 3% annual escalation during the initial five-year term. The 3% annual escalation has tracked well with the Engineering News Record San Francisco Construction Cost Index (CCI) since the original 2007 agreement. For each of the three subsequent renewal terms, the fee will be based upon the CCI at that time and no less than 3%, with a 3% annual escalation in subsequent years within each term.

- Staff recommends the Board authorize the General Manager to negotiate, execute, and amend the License Agreement with Adams Pool Solutions for continued use of a portion of Zone 7's Tassajara Creek right-of-way as a parking lot.

FUNDING:

Funds collected will be deposited into Fund 200 – Flood Operations.

RECOMMENDED ACTION:

Adopt the attached Resolution.

ATTACHMENTS:

- Resolution
- Exhibit A - Vicinity and Location Map of Adams Pool Solutions

ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO. 25-

INTRODUCED BY DIRECTOR
SECONDED BY DIRECTOR

Authorize a License Agreement with Adams Pool Solutions for Real Property Adjacent to Tassajara Creek

WHEREAS, to support Zone 7's mission to deliver safe, reliable, efficient, and sustainable flood protection services, and consistent with Strategic Plan Goal E – Effective Flood Protection, and Goal H – Fiscal Responsibility, Zone 7 enters into agreements to allow use of Zone 7 rights-of-way while maintaining flood protection; and

WHEREAS, Zone 7 has a flood protection facility, Line K (Tassajara Creek), in Pleasanton, that extends to Old Santa Rita Road; and

WHEREAS, a portion of the Tassajara Creek right-of-way has been licensed for use as a parking lot by Tony Adams, dba Adams Pool Solutions, since 1986; and

WHEREAS, said License Agreement has been extended on an annual basis, through June 2025; and

WHEREAS, Zone 7 wishes to execute a new License Agreement with Adams Pool Solutions for an initial five-year term, with the ability to renew for three additional three-year terms; and

WHEREAS, the proposed License Agreement will be for a total term not-to-exceed 15 years, inclusive of renewal options, and provides for the use of surplus land on which no development or demolition will occur.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate, execute, and amend as necessary, a License Agreement with Adams Pool Solutions for continued use of a portion of Zone 7's Tassajara Creek right-of-way as a parking lot, for which Adams Pool Solutions will be responsible to operate and maintain, and continue to provide to Zone 7 unhindered access to Tassajara Creek for flood protection

purposes with an initial License Fee for Fiscal Year 2025-26 of $24,273, with a 3% annual escalation during the initial five-year term, and future License Fee adjustments based on the CCI at that time and no less than 3%, with a 3% annual escalation in subsequent years within the term.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on October 15, 2025.

By: _____
President, Board of Directors

	ZONE 7 WATER AGENCY **100 N. Canyons Parkway** **Livermore, CA 94551**	DRAWN: JT REVIEWED:	**ZONE 7** **Vicinity and Location** **License Agreement with** **Adams Pool Solutions**	Scale: Not to Scale Date: 09/17/2025 EXHIBIT A

ZONE 7 WATER AGENCY
Delivering Quality, Reliability and Safety

100 North Canyons Parkway
Livermore, CA 94551
(925) 454-5000

ORIGINATING SECTION: Groundwater
CONTACT: Colleen Winey/Michelle Parent

AGENDA DATE: October 15, 2025

SUBJECT: Approve Commercial Use of the Septic System at Shanti Wines, 5443 Tesla Road, (APN 99A-2340-003-03), Case #25-003

SUMMARY:

- This action is in support of Zone 7 Water Agency's (Zone 7) Strategic Plan Goal D - Groundwater Management - Manage and protect the groundwater basin as the State-designated Groundwater Sustainability Agency (GSA), and to implement Initiative #11-Manage the GSA and implement the Groundwater Sustainability Plan.

- Zone 7's Resolution 1165 prohibits the use of septic systems for commercial or industrial use unless the Board of Directors approves.

- Shanti Wines has applied for Zone 7's approval for the commercial use of a septic system, also known as onsite wastewater treatment systems, for a winery.

- The proposed project is on a 7.64-acre parcel at 5443 Tesla Road in Livermore (APN 99A-2340-003-03). The parcel overlies the Main and Fringe Area of the Livermore Valley Groundwater Basin and is located inside the Buena Vista/Greenville area of concern for high nitrates.

- The property is currently being used as a vineyard for wine tasting. Zone 7 approval of commercial use is required for a change in land use to include holding events.

- Currently, it is not feasible for this property to connect to the municipal sewer; however, Zone 7's approval will include a condition requiring the property to connect to the public sewer when it becomes available.

- Staff finds that the existing use was approved in 1996 and determined that the site was predated prior to and grandfathered from the maximum wastewater loading of one-half residential equivalence per five acres (0.5 RRE/5 Acres) when a community sewerage system is not yet available.

- Any increase in loading would invalidate the grandfather status for the property and require meeting the current maximum loading requirements: the staff determined that the proposed use of portable toilets for future events will not increase or change the existing loading from the current use, and thus, the grandfather status remains valid.

- Based on the board-approved Zone 7 Septic Tank Review Decision Tree, the project meets the approval criteria and is in compliance with Resolution 1165.

- Staff has reviewed this case and recommends that the Board approve the commercial use of a septic system at 5443 Tesla Road, in unincorporated Alameda County near Livermore.

FUNDING:

Not applicable

RECOMMENDED ACTION:

Adopt the attached Resolution.

ATTACHMENTS:

1. Resolution
2. Zone 7 Septic Tank Approval Decision Tree
3. Project Location Map

ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

RESOLUTION NO. 25-

INTRODUCED BY DIRECTOR
SECONDED BY DIRECTOR

Authorization for the Commercial Use of Septic System at Shanti Wines, 5443 Tesla Road, (APN 99A-2340-003-03), Case #25-003

WHEREAS, this action is in support of Zone 7 Water Agency's (Zone 7) Strategic Plan Goal D - Groundwater Management - Manage and protect the groundwater basin as the State-designated Groundwater Sustainability Agency (GSA), and to implement Initiative #11-Manage the GSA and implement the Groundwater Sustainability Plan.

WHEREAS, the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District adopted the Wastewater Management Plan for the Unsewered, Unincorporated Area of Alameda Creek Watershed above Niles (Resolution No. 1037, May 19, 1982) to protect the surface and ground water resources within the Zone; and

WHEREAS, the Wastewater Management Plan provides for strict controls on the use of septic tank/leach field systems, which may affect groundwater quality within the Zone 7 area; and

WHEREAS, the Board of Directors adopted a policy prohibiting the use of septic tank/leach field systems for new development zoned for commercial or industrial uses which overlies the central or fringe groundwater sub-basins unless it can be satisfactorily demonstrated that the wastewater loading be no more than the loading from an equivalent rural residential unit (Resolution No. 1165, August 28, 1986); and

WHEREAS, on October 15, 1986, the Board of Directors approved a Zone 7 Septic Tank Review Procedure for commercial/industrial development, and the Procedure provides for Special Review by the Board of Directors of Septic Tank Permit Applications for Non-residential Use; and

WHEREAS, by application dated May 6, 2025, the applicant seeks the Zone 7 Board's approval for use of a septic tank system for a winery on a 7.64-acre parcel located at 5443 Tesla Road, near Livermore (APN 99A-2340-003-03); and

WHEREAS, the parcel overlies the Main and Fringe Area of the Livermore Valley Groundwater Basin and is located inside the high nitrates area of concern; and

WHEREAS, the total wastewater loading generated onsite by all uses, residential and commercial, was approved in 1996 and determined that the site was grandfathered and exempted from the maximum wastewater loading of one-half residential equivalence per five acres (0.5 RRE/5 Acres) when a community sewerage system is not yet available.

WHEREAS, any increase in loading would invalidate the grandfather status: staff determined that the proposed use of portable toilets for future events will not increase or change the existing loading from the current use, and thus, the grandfather status remains valid; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby makes the following findings regarding the application:

1. It is not feasible at this time for the onsite facilities to connect to a municipal sewer;

2. The proposed use conforms to the Zone 7 Wastewater Management Policy (WMP) wastewater loading limits for new development when a community sewerage system is not yet available;

4. The proposed land use does not involve the storage or generation of hazardous materials other than those found in typical households;

5. There is no significant risk of contamination of the groundwater basin from the proposed septic system(s).

BE IT FURTHER RESOLVED that the septic tank use is deemed to be in compliance with Zone 7 Resolution No. 1165, and is approved with the following conditions:

1. Zone 7's approval is contingent upon Alameda County Department of Environmental Health's approval and oversight during the operation and maintenance of the system.

2. No wastewater disposal, other than that specifically approved herewith, is allowed without prior approval by the Zone 7 Water Agency.

3. When a public sewer is extended within 200 feet of any onsite dwelling connected to the septic systems, the septic system shall be abandoned, and all building sewers shall be connected to the public sewer.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

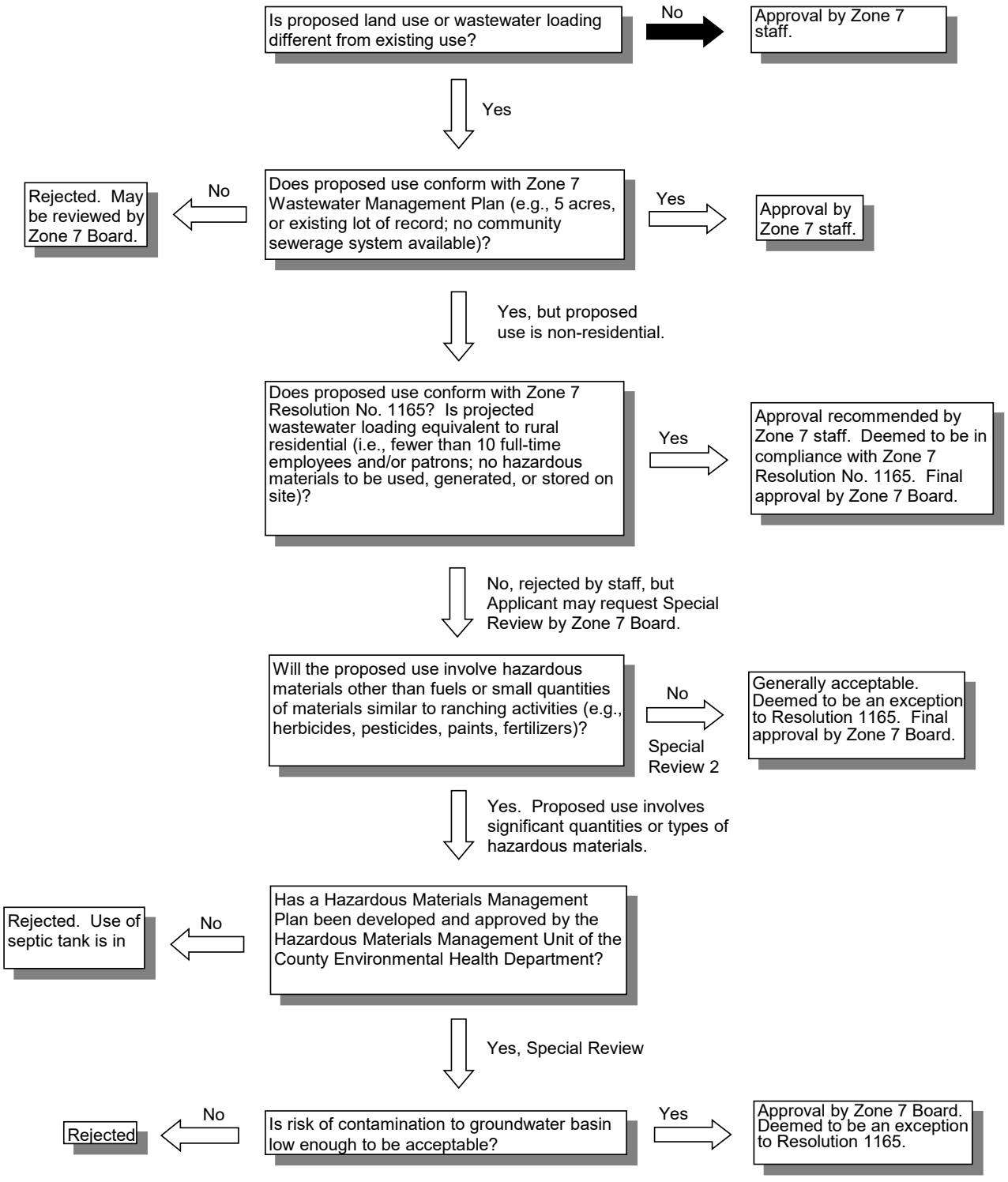
I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on October 15, 2025.

By: _____
President, Board of Directors

Zone 7 Septic Tank Permit Review
Decision Tree

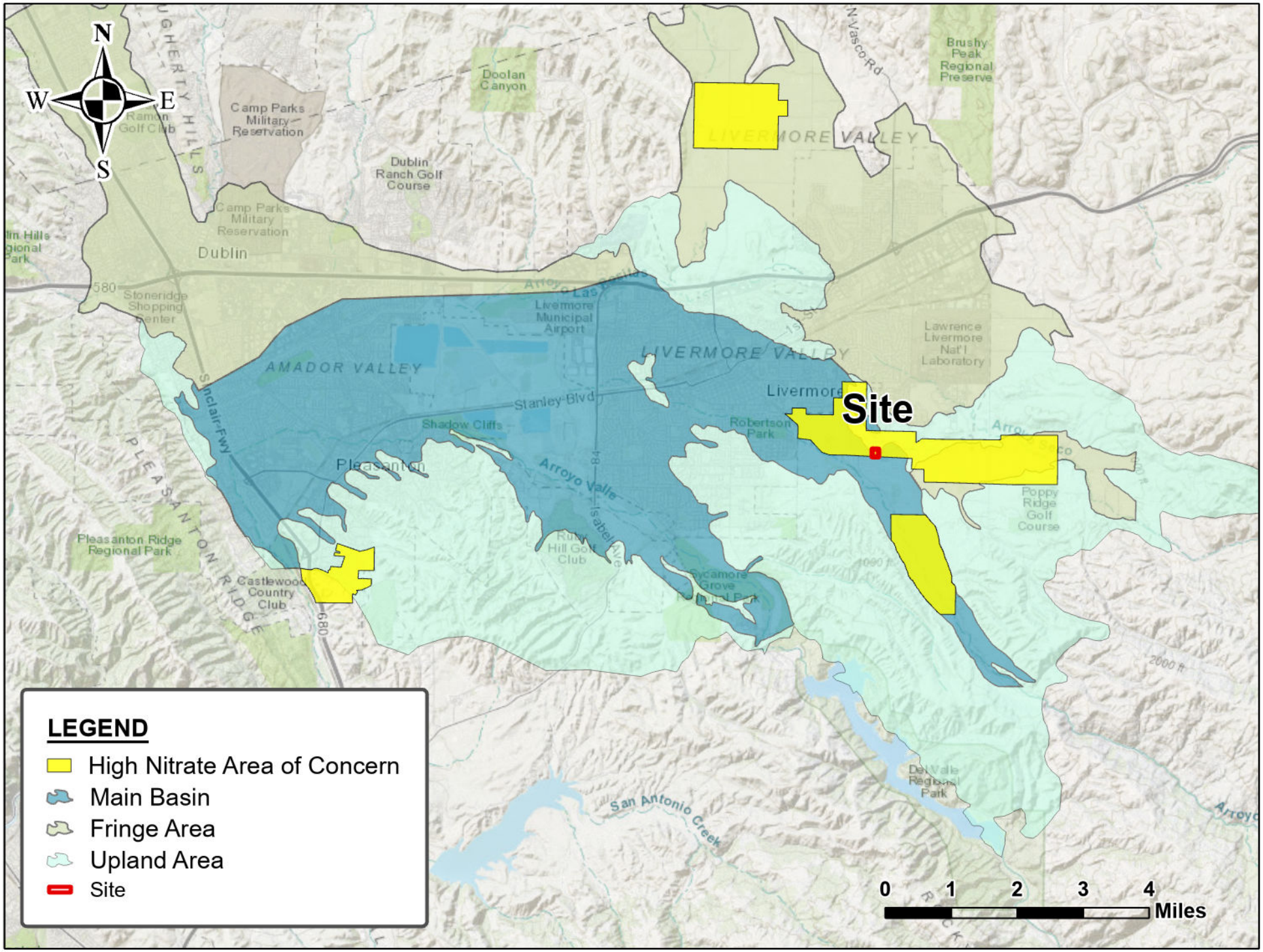
Applicant:	**Shanti Wines**	**Case No.: 25-003**
Site Adress:	**5443 Tesla Road, Livermore**	
Date:	**9/16/2025**	

(Most septic tank reviews are made when the property owner request the Planning Department for a land use change, rezoning, or parcel split.)



P:Public/WRE/Septic/Attachment3_5443_Tesla_DecisionTree_grandfather

FIGURE 1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W
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Camp Parks Military Reservation
Dublin Ranch Golf Course
Doolan Canyon
Brushy Peak Regional Preserve
LIVERMORE VALLEY
AMADOR VALLEY
Dublin
Stoneridge Shopping Center
Livermore Municipal Airport
Lawrence Livermore Nat'l Laboratory
Site
Stanley Blvd
Shadow Cliffs
Robertson Park
Pleasanton
Arroyo Valle
Sinclair Fwy
Pleasanton Ridge Regional Park
Castlewood Country Club
Poppy Ridge Golf Course
Del Valle Regional Park
San Antonio Creek
LEGEND
High Nitrate Area of Concern
Main Basin
Fringe Area
Upland Area
Site
0 1 2 3 4
Miles

ZONE 7 WATER AGENCY
Delivering Quality, Reliability and Safety

100 North Canyons Parkway
Livermore, CA 94551
(925) 454-5000

ORIGINATING SECTION: Groundwater
CONTACT: Colleen Winey/Michelle Parent

AGENDA DATE: October 15, 2025

SUBJECT: Approve Commercial Use of the Septic System at Chekuri Vineyards, 8437 Tesla Road, (APN 99A-1900-012-00), Case #25-004

SUMMARY:

- This action is in support of Zone 7 Water Agency's (Zone 7) Strategic Plan Goal D - Groundwater Management - Manage and protect the groundwater basin as the State-designated Groundwater Sustainability Agency (GSA), and to implement Initiative #11- Manage the GSA and implement the Groundwater Sustainability Plan.

- Zone 7's Resolution 1165 prohibits the use of septic systems for commercial or industrial use unless the Board of Directors approves.

- Chekuri Vineyards has applied for Zone 7's approval for the commercial use of a septic system, also known as onsite wastewater treatment systems, for a winery.

- The proposed project is on a 19.65-acre parcel at 8437 Tesla Road in Livermore (APN 99A-1900-012-00). The parcel overlies the eastern Fringe Area of the Livermore Valley Groundwater Basin and is located inside the Buena Vista/Greenville area of concern for high nitrates.

- The property is currently being used as a vineyard. Zone 7 approval for commercial use is required for the proposed winery, which includes wine production and tasting.

- Currently, it is not feasible for this property to connect to the municipal sewer; however, Zone 7's approval will include a condition requiring the property to connect to the public sewer when it becomes available.

- Staff finds that the proposed use conforms to the Zone 7 Wastewater Management Policy that established a maximum wastewater loading of one rural residential equivalence per five acres (1 RRE/5 Acres) when a community sewerage system is not yet available;

- Staff also finds that the proposed use also conforms with the 2015 Zone 7 Nutrient Management Plan requirement of 0.5 RRE/5 Acres maximum loading requirement for properties inside of areas of concern for high nitrates.

- Staff concluded that this project's total wastewater loading is estimated to be 0.42 RRE/5 Acres, which is less than the 0.5 RRE/5 Acres maximum loading requirement.

- Based on the board-approved Zone 7 Septic Tank Review Decision Tree, the project meets the approval criteria and is in compliance with Resolution 1165.

- Staff has reviewed this case and recommends that the Board approve the commercial use of a septic system at 8437 Tesla Road, in unincorporated Alameda County near Livermore.

FUNDING:

Not applicable

RECOMMENDED ACTION:

Adopt the attached Resolution.

ATTACHMENTS:

1. Resolution
2. Zone 7 Septic Tank Approval Decision Tree
3. Project Location Map

ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

RESOLUTION NO. 25-

INTRODUCED BY DIRECTOR
SECONDED BY DIRECTOR

Authorization for the Commercial Use of Septic System at Chekuri Vineyards, 8437 Tesla Road, (APN 99A-1900-012-00), Case #25-004

WHEREAS, this action is in support of Zone 7 Water Agency's (Zone 7) Strategic Plan Goal D - Groundwater Management - Manage and protect the groundwater basin as the State-designated Groundwater Sustainability Agency (GSA), and to implement Initiative #11-Manage the GSA and implement the Groundwater Sustainability Plan.

WHEREAS, the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District adopted the Wastewater Management Plan for the Unsewered, Unincorporated Area of Alameda Creek Watershed above Niles (Resolution No. 1037, May 19, 1982) to protect the surface and ground water resources within the Zone; and

WHEREAS, the Wastewater Management Plan provides for strict controls on the use of septic tank/leach field systems, which may affect groundwater quality within the Zone 7 area; and

WHEREAS, the Board of Directors adopted a policy prohibiting the use of septic tank/leach field systems for new development zoned for commercial or industrial uses which overlies the main or fringe groundwater sub-basins unless it can be satisfactorily demonstrated that the wastewater loading be no more than the loading from an equivalent rural residential unit (Resolution No. 1165, August 28, 1986); and

WHEREAS, on October 15, 1986, the Board of Directors approved a Zone 7 Septic Tank Review Procedure for commercial/industrial development, and the Procedure provides for Special Review by the Board of Directors of Septic Tank Permit Applications for Non-residential Use; and

WHEREAS, by application dated May 6, 2025, Mr. Chekuri seeks the Zone 7 Board's approval for use of a septic tank system for a winery on a 19.65-acre parcel located at 8437 Tesla Road, near Livermore (APN 99A-1900-012-00); and

WHEREAS, the parcel overlies the Fringe Area of the Livermore Valley Groundwater Basin and is located inside the high-nitrates area of concern; and

WHEREAS, the total wastewater loading generated onsite by all uses, residential and commercial, will be less than a maximum wastewater loading of 0.5 rural residential equivalence per five acres (0.5 RRE/5 Acres) for parcels inside areas of concern for high nitrates; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby makes the following findings regarding the application:

1. It is not feasible at this time for the onsite facilities to connect to a municipal sewer;

2. The proposed use conforms to the Zone 7 Wastewater Management Policy (WMP) that allows a maximum wastewater loading of one rural residential equivalence per five acres (1 RRE/5 Acres) when a community sewerage system is not yet available;

3. The proposed use conforms with the 2015 Zone 7 Nutrient Management Plan that allows a maximum of 0.5 RRE per 5 Acres of nitrogen loading for properties inside areas of concern for high nitrates;

4. The proposed land use does not involve storage or generation of hazardous materials other than those found in typical households;

5. There is no significant risk of contamination to the groundwater basin from the proposed septic system(s).

BE IT FURTHER RESOLVED that the septic tank use is deemed to be in compliance with Zone 7 Resolution No. 1165, and is approved with the following conditions:

1. Zone 7's approval is contingent upon Alameda County Department of Environmental Health's approval and oversight during the operation and maintenance of the system.

2. No wastewater disposal, other than that specifically approved herewith, is allowed without prior approval by the Zone 7 Water Agency.

3. When a public sewer is extended within 200 feet of any onsite dwelling connected to the septic systems, the septic system shall be abandoned, and all building sewers shall be connected to the public sewer.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on October 15, 2025.

By: _____
President, Board of Directors

Zone 7 Septic Tank Approval Decision Tree

Applicant: **Chekuri Vineyards**	Case No.: **25-004**
Site Address: **8437 Tesla Road Livermore**	
Date: **September 12, 2025**	

(Most septic tank reviews are made when the property owner request the Planning Department for a land use change, rezoning, or parcel split.)

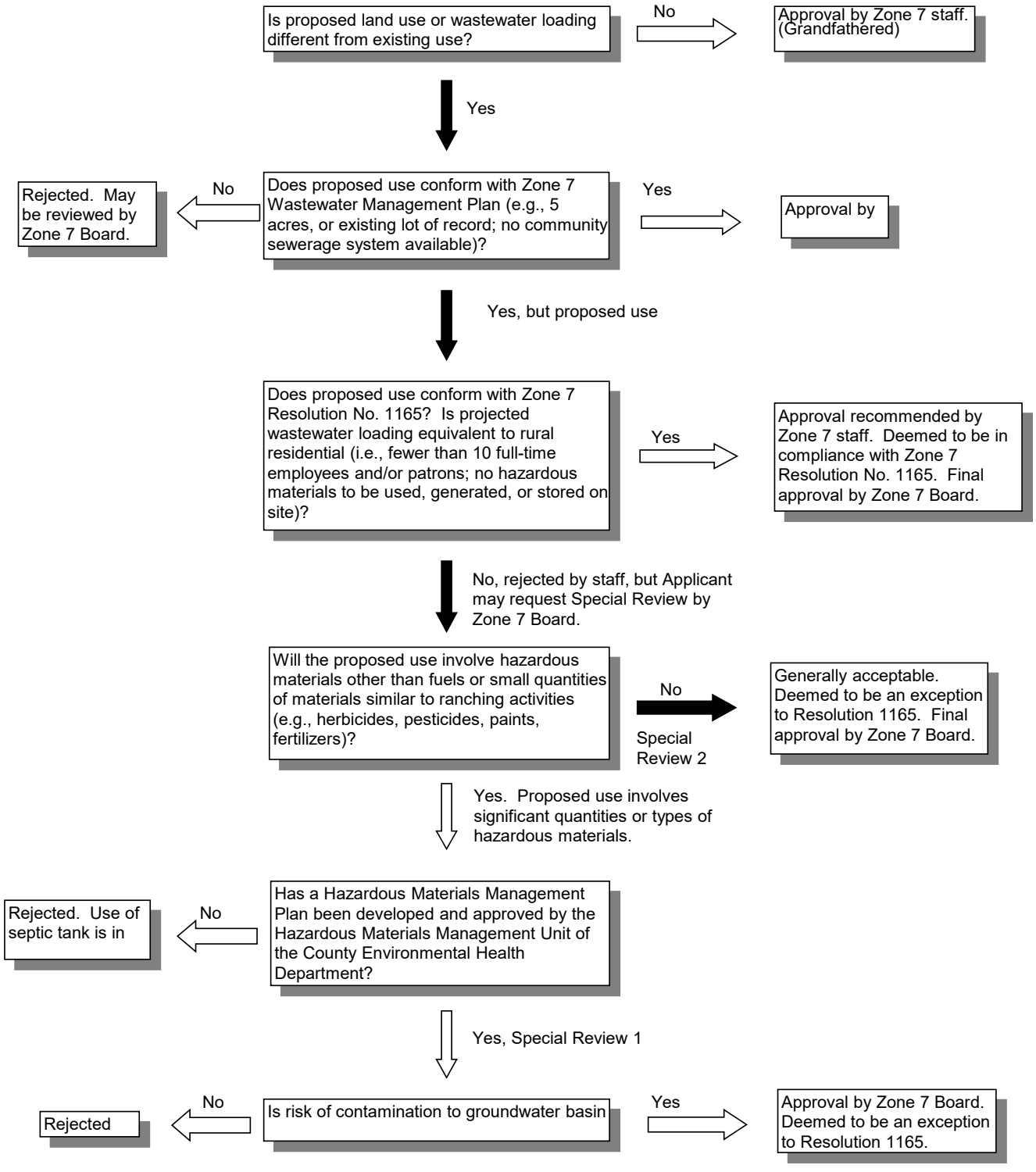
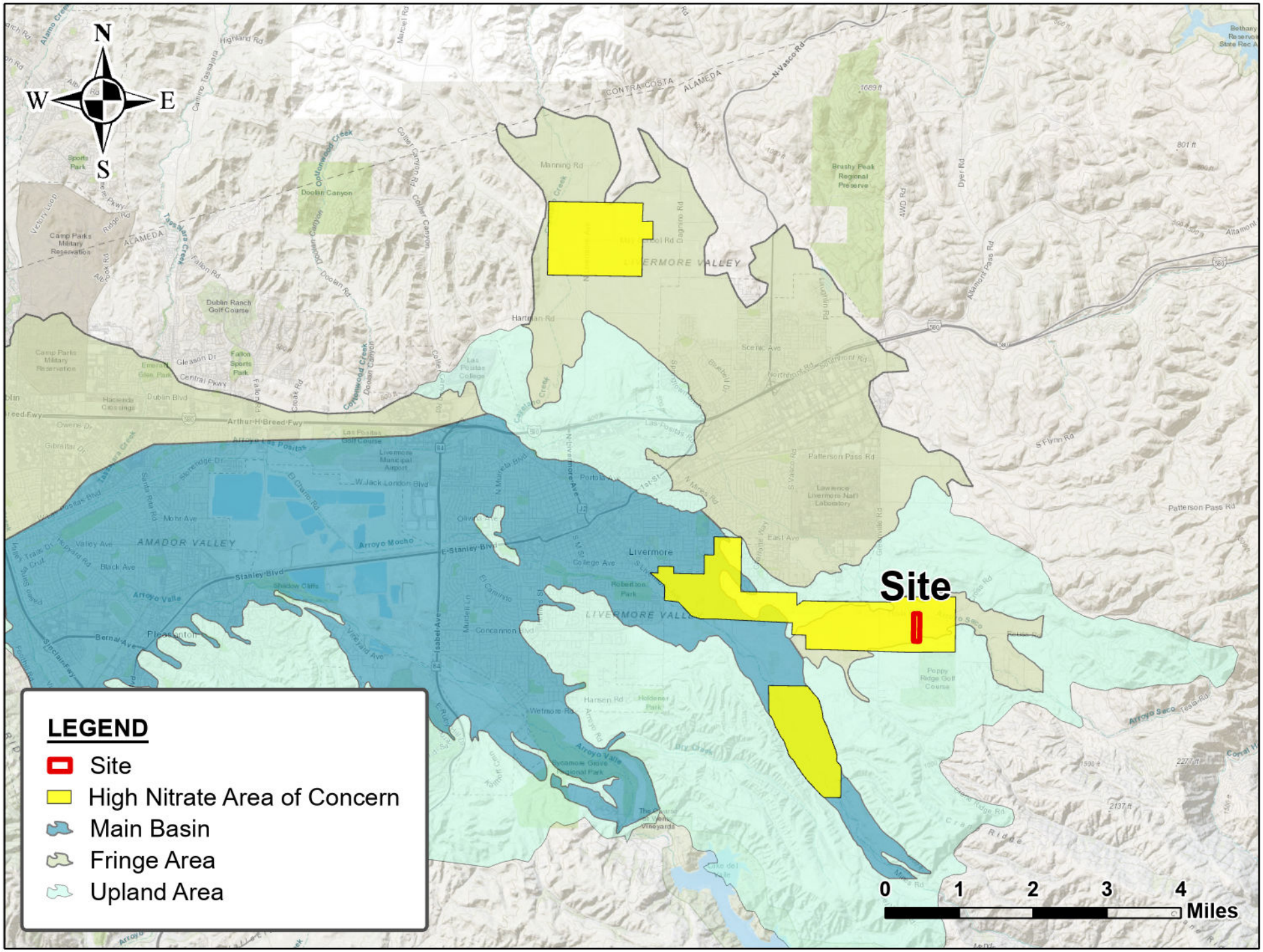


EXHIBIT B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Site
High Nitrate Area of Concern
Main Basin
Fringe Area
Upland Area
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2
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Miles

ZONE 7 WATER AGENCY
Delivering Quality, Reliability and Safety

100 North Canyons Parkway
Livermore, CA 94551
(925) 454-5000

ORIGINATING SECTION: Administration
CONTACT: Osborn Solitei

AGENDA DATE: October 15, 2025

SUBJECT: Proposed Untreated Water Rate for Calendar Year 2026

SUMMARY:

- The proposed action is in support of Strategic Plan Goal H – Fiscal Responsibility: Operate the Agency in a fiscally responsible manner and Strategic Initiative No. 21 – continue to effectively manage financial resources. In carrying out these fiscal responsibilities, the Agency sets rates and fees to recover cost of service. This untreated water rate review is consistent with the Board policy guidelines for untreated water rates adopted via Resolution No. 21-77 on October 20, 2021.

- The Agency sets untreated water rates annually and the rates are calculated based on projected cost of service and projected water deliveries. In addition, an annual reconciliation or "true-up" is performed each year to ensure the Agency has neither over- nor under-collected from the untreated customers.

- Each year, prior to the annual untreated rate setting process, staff provides the untreated customers with an overview of the upcoming rate setting process to ensure the customers are aware of specific Committee and Board meetings that may be of interest. As part of this correspondence, staff encourage customers to attend and participate to facilitate open communication and transparency.

- The calendar year (CY) 2026 untreated water rate calculation has been completed. Based on the policy guidelines for untreated water rates, the CY 2026 calculated untreated water rate is $255 per acre foot ($255/AF).

- The scheduled reconciliation charge for CY 2026 (the third year of the five-year implementation schedule) is $42/AF. Applying this charge to the calculated rate brings the CY 2026 preliminary untreated water rate to $297/AF.

- Staff presented the CY 2026 preliminary untreated water rate to the Finance Committee on September 10, 2025. After public comment from several untreated customers and Committee discussion, the Finance Committee recommended the CY 2026 reconciliation charge be reduced from $42/AF to $32/AF. Applying the amended charge to the calculated rate brings the CY 2026 proposed untreated water rate to $287/AF. Table 1 compares the current rate to the CY 2026 proposed rate.

Table 1
Untreated Water Rate Comparison

	CY 2025 (Adopted)	CY 2026 (Proposed)
Calculated Rate	$239	$255
Reconciliation Charge	$24	$32
Untreated Rate	**$263**	**$287**

- The Committee's recommendation is supported by the Reconciliation Framework outlined in the Draft CY 2026 Untreated Water Rate Report Update (Attachment A) which states "*the Agency's Board can determine the number of years to phase-in the reconciliation charge based on the relevant policy objectives, such as minimizing customer impacts"*.

- Consistent with past practice, staff will present the CY 2026 proposed untreated water rate at the October 15, 2025, regular Board meeting. Staff will recommend the Board adopt the authorizing Resolution to approve the untreated water rates for CY 2026.

FUNDING:
N/A

RECOMMENDED ACTION:
Adopt the attached Resolution.

ATTACHMENTS:
1. Resolution
2. Attachment A – Draft CY 2026 Untreated Water Rate Update Report
3. Attachment B – Historical Untreated Water Rates

DISCUSSION:

- In October 2021, following an extensive untreated water stakeholder outreach process, the Board provided policy guidelines regarding the untreated water rate components. The approved components include:

  〉 *Water Supply Costs:* Water supply costs make up approximately 80-90% of the untreated water rate and have proven to be very volatile due to declining water supply reliability, climate change, and weather whiplash. In dry years, expensive water transfers may be needed to meet current demands. In extremely wet years, the Agency incurs costs associated with storing water, which is essential to meet demands during future dry years. Given the uncertainty, the Agency uses the five-year historical average of water supply costs and water deliveries for rate setting purposes. The five-year historical average captures the highs and lows of hydrology and associated costs and helps mitigate major rate volatility from year to year. The annual reconciliation process captures any under or over collection of revenues.

- *Water Service Costs:* The Agency is committed to providing a reliable supply of high-quality water for municipal, industrial, and agricultural customers, and spends a considerable amount of time managing the water supply portfolio. These water service costs are relatively stable year-to-year and are projected based on hours worked and hourly rate.

- *Overhead:* Overhead costs are the ongoing costs of running the Agency that are not directly tied to water delivery or water service. These include expenses like property management and utilities at the Agency's headquarters, Board and administration salaries, IT, and insurance. The customers pay for a portion of the overhead costs through the water rate, ensuring the Agency can maintain operations and continue to deliver water.

- The untreated water rate calculation has resulted in a CY 2026 untreated water rate of $255/AF and a temporary untreated water rate of $1,023/AF. Table 2 provides a breakdown of both calculations.

Table 2
CY 2026 Untreated Water Rate Calculation[1]

Untreated Water Rate Calculation	Total Untreated	Untreated Deliveries (AF)	Unit Rate ($/AF)
Water Service Costs	$152,276	5,243	$29
Overhead Costs	$81,540	5,243	$16
Water Supply Costs	1,100,141	5,243	$210
Total Untreated Water Rate	**$1,333,957**		**$255**
Untreated Water Costs	$1,333,957	5,243	$255
Temporary Water Supply Costs[2]	$4,025,325	5,243	$768
Total Temporary Untreated Water Rate	**$5,359,282**		**$1,023**

- As part of the CY 2026 untreated rate setting process, staff completed and presented the results of the CY 2024 reconciliation at the August 27, 2025, Finance Committee meeting. Based on the results, a credit of $367,779 was applied to the outstanding reconciliation balance. The CY 2024 credit exceeded the planned collection by approximately $135,000, reducing the outstanding balance to negative $740,387.

- The five-year implementation schedule to collect the outstanding untreated reconciliation balance was selected and approved by the Board via Resolution No. 23-77, dated October 18, 2023. The collection period began in CY 2024 and is planned to end in CY 2028.

- At the September 10, 2025, Finance Committee meeting, the Committee recommended lowering the CY 2026 (year three) reconciliation charge from the scheduled $42/AF to $32/AF. The Committee's recommendation is supported by the

[1] Values may not add due to rounding.
[2] Temporary costs include the State Water Project fixed costs collected through the property tax override.

Reconciliation Framework from Attachment A, stating *"the Agency's Board can determine the number of years to phase-in the reconciliation charge based on the relevant policy objectives, such as minimizing customer impacts".* Table 3 shows the five-year implementation schedule with the recommended revised charge in CY 2026.

Table 3
Five-Year Implementation Schedule: Committee Recommendation

	Year 1 CY 2024 Actual	Year 2 CY 2025 Actual	Year 3 CY 2026 Recommended	Year 4 CY 2027 Planned	Year 5 CY 2028 Planned
2025 Committee Recommendation	$43	$24[3]	$32	$41	$48

- Table 4 illustrates the impact of applying the CY 2026 recommended reconciliation charge to the CY 2026 calculated untreated water rate and compares the CY 2026 proposed untreated rate to the current rate.

Table 4
CY 2026 Proposed Untreated Water Rate

CY	Calculated Rate ($/AF)	Calculated Rate Change (%)	Reconciliation Charge ($/AF)	Proposed Untreated Rate ($/AF)	Proposed Rate Change (%)
2025	$239	6.7%	$24	$263	9.1%
2026	**$255**		**$32**	**$287**	

- The draft report for the CY 2026 Untreated Water Rate Update can be found in Attachment A.
- Staff recommend the Board adopt the attached Resolution approving the revised CY 2026 reconciliation charge and the proposed CY 2026 untreated water rates.
- The approved CY 2026 untreated water rates will take effect January 1, 2026.

3 As part of the CY 2025 rate setting process, the Board revised the approved five-year implementation schedule, reducing the CY 2025 reconciliation charge from $42/AF to $24/AF. The purpose of the reduction in the reconciliation charge was to hold the untreated water rate steady at $263/AF for CY 2025.

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO. 25-

INTRODUCED BY DIRECTOR
SECONDED BY DIRECTOR

Adoption of Calendar Year 2026 Untreated Water Rates

WHEREAS, the proposed action is in support of Strategic Plan Goal H - Fiscal Responsibility: Operate Zone 7 Water Agency (the "Agency") in a fiscally responsible manner. In carrying out these fiscal responsibilities, the Agency sets rates and fees to recover cost of service; and

WHEREAS, the Agency updated untreated water rates for calendar year 2026 consistent with the Board principles for untreated water rates approved in Board Resolution No. 21-77 dated October 20, 2021; and

WHEREAS, the Board of Directors has the flexibility to phase-in the reconciliation charge, if applicable, to minimize rate impacts to untreated water customers; and

WHEREAS, per Resolution No. 23-77, dated October 18, 2023, the outstanding reconciliation balance shall be collected per the approved five-year implementation schedule. The outstanding reconciliation balance, as of December 31, 2024, is negative $740,387; and

WHEREAS, the Board has determined the previously approved five-year implementation schedule shall be modified and the calendar year 2026 reconciliation charge be reduced to $32 per acre-foot to minimize impacts to untreated water customers.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District, adopt the following rate schedule for Untreated Water Service, Temporary Untreated Water Service, and Non-Scheduled Untreated Water Services:

FIRST, for Untreated Water Service, a delivery charge of $287 per acre-foot for all metered water delivered to each customer per month; and

SECOND, for Temporary Untreated Water Service, an initial service establishment charge of $125 per turnout for each new direct connection to the Zone system or a system supplying the Zone system; and

A monthly service charge of $21 per turnout; and

A delivery charge of $1,023 per acre-foot for all water delivered monthly based on total meter readings or as may be otherwise determined by the Agency; and

THIRD, for Non-Scheduled Untreated Water Service, a delivery charge of $1,023 per acre-foot for water delivered to each customer per month; and

BE IT FURTHER RESOLVED, that said rate schedule for Untreated Water Service, Temporary Untreated Water Service, and Non-Scheduled Untreated Water Service shall be effective as of January 1, 2026, and shall end on the next effective date for such water rates adopted by the Board.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on October 15, 2025.

By: _____
President, Board of Directors

ZONE 7 WATER AGENCY

CY 2026 UNTREATED WATER RATE UPDATE

DRAFT REPORT
OCTOBER 2025

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Executive Summary

Agency Background

Zone 7 Water Agency (the "Agency") was established in 1957 to provide untreated water to support agriculture and provide treated wholesale water to the Livermore-Amador Valley. In 1961, the Agency contracted for State Water Project (SWP) water deliveries through the South Bay Aqueduct (the "SBA").

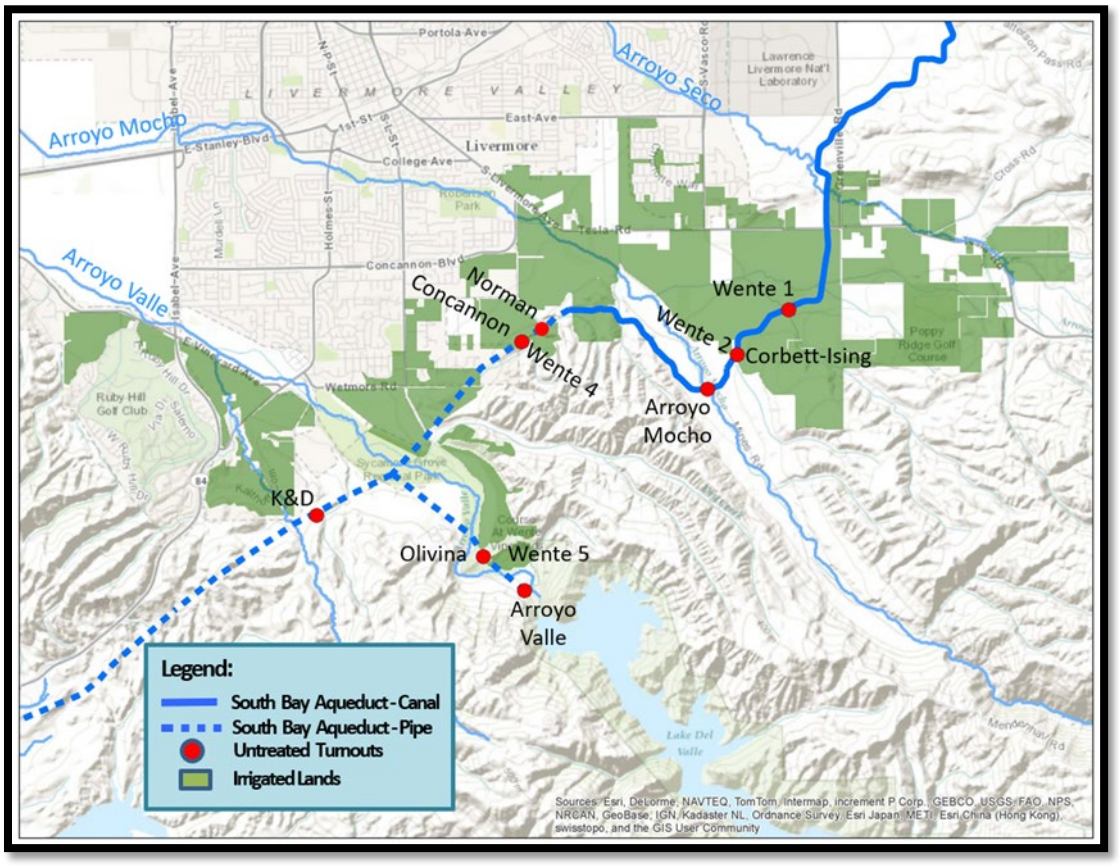
The Agency's water resources include imported water from the SWP, local groundwater storage, local water captured in Lake Del Valle, and offsite groundwater banking in Kern County. Historically, most of the Agency's water demand has been met by imported water from the SWP; approximately 90 percent of the current water demand is met through water originating from the SWP.

The Agency began delivering untreated water to its service area from the California Department of Water Resources (DWR) via the SBA in 1962. Over the years, deliveries increased with the agricultural development of South Livermore. The Agency provides untreated water service to 95 untreated water users that may collectively request water deliveries of up to 8,104 acre-feet (AF) per year. However, only seven of these contractors receive water from the Agency directly from an SBA turnout. These seven water users are referred to as "turnout water users." The remaining 88 "remote water users" receive their water deliveries through the turnout water users' respective conveyance facilities. The Agency's current practice is to invoice the turnout water users for all water delivered through the turnouts, which includes water wheeled, or delivered through their respective facilities, to remote water users. The turnout water users, in turn, invoice the respective individual remote water users. The Agency does not invoice remote water users and is not involved in setting remote water user rates.

Prior to 2011, the Agency had contracts with separate users. In 2011, the Agency transitioned from individual contracts to the Rules and Regulations Governing Water Service. The Rules and Regulations Governing Water Service reflect the actual relationship the Agency has with its untreated water customers. This transition allowed the Agency to administer the untreated water program more effectively by clearly documenting and maintaining a maximum annual allocation for each water user and providing a process for water transfers within the service area.

Figure 1 shows the map of the untreated water turnouts and deliveries via the SBA.

Figure 1: Map of Untreated Water Turnouts



Untreated Water Rate Update Background

The Untreated Water Rate Update calculates the untreated water rates for calendar year (CY) 2026 based on the Board principles for untreated water rates adopted via Resolution No. 21-77, dated October 20, 2021.

The major objectives of the update include:

- Ensure financial sufficiency for the untreated water enterprise to meet water supply and program costs
- Develop untreated and temporary untreated water rates consistent with approved Board principles
- Maintain fairness and equitability of rates while minimizing customer impacts

General Report Assumptions

The Untreated Water Rate Update acknowledges the volatility of water supply costs from year to year and the challenge of accurately predicting future water supply by smoothing projected water supply costs using a five-year historical average. This method helps avoid

major rate shock to untreated water customers when extreme weather patterns are anticipated. The following assumptions are based on five-year historical averages:

- Planned Water Deliveries
- Planned Water Supply Costs

Current Rates

The Agency's current untreated water rates include two components: an untreated water rate for normal water service and a temporary untreated water rate for customers that require temporary service and are unable to obtain water from other areas in the valley. **Table 1** shows the current untreated water rates (CY 2025), which the Agency adopted on October 16, 2024, via Resolution No. 24-83.

Table 1: Current Untreated Water Rates (CY 2025)

Current Untreated Water Rates ($/AF)	CY 2025
Untreated Water Rate	$263[1]
Temporary Untreated Water Rate	$954

Planned Water Deliveries

Table 2 shows the planned water deliveries for untreated and treated water customers in CY 2026, and the percent of total deliveries for each service. As mentioned above, planned untreated and treated water deliveries are based on the five-year historical average.

Table 2: Planned Water Deliveries (CY 2026)[2]

Planned Water Deliveries	Total AF	% of Total
Untreated Water	5,243	12.89%
Treated Water	35,442	87.11%
Total	**40,685**	**100.0%**

Calculated Untreated Water Rates

Table 3 shows the calculated untreated water rate and the temporary untreated water rate for CY 2026. The calculated rate excludes any reconciliation charge or credit.

Table 3: Calculated Untreated Water Rates (CY 2026)

Calculated Untreated Water Rates ($/AF)	CY 2026
Untreated Water Rate	$255
Temporary Untreated Water Rate	$1,023

[1] Current rate includes a $24/AF reconciliation charge.
[2] Values may not add due to rounding.

Water Service

This section outlines the Agency's water service costs and the associated costs and descriptions of the various staff programs that make up the water service costs.

Agency Staff Programs

The Agency is committed to providing a reliable supply of high-quality water for municipal, industrial, and agricultural customers and spends a considerable amount of time managing the water supply portfolio. These water service costs are calculated based on projected hours worked by Agency staff and hourly rate.

The following section describes the various staff programs and their roles in the untreated water system. The following Agency staff programs, with the exception of the Untreated Water Program, serve both treated and untreated water customers. Agency staff programs that do not serve the untreated water customers (i.e. Water Treatment, Groundwater Administration, Local Water Rights, and Flood Protection) have been excluded.

State Water Project Program
Administration of the State Water Project water supply.

Untreated Water Program
Execution, management, and administration of the Untreated Water Program.

Water Supply and Storage Planning
Operational planning of the water utility and the water supply, day-to-day water supply management activities, administration and support related to water storage, water supply and conveyance, and other water supplies.

Cawelo Banked Water Program
Administration, operation, and maintenance of the Cawelo water supply, including recovery and storage.

Semitropic Banked Water Program
Administration, operation, and maintenance of the Semitropic water supply, including recovery and storage.

Water Service Costs

Agency staff provide estimated water service costs for each of the programs, which include hourly rate and projected hours worked for CY 2026. The detailed water service costs by program are included in the **Technical Appendix**.

Table 4 shows the water service cost summary and allocation for all Agency staff programs serving the untreated water customers. Untreated Water Program costs are only distributed to untreated customers, while the remaining staff programs benefit both treated and untreated customers. The percent of water service costs allocated to untreated water customers (except for Untreated Water Program costs) is based on the proportion of planned water deliveries for CY 2026 from **Table 2**.

Table 4: Water Service Cost Summary (CY 2026)[3]

Water Service Costs Summary	Total Agency	% To Untreated	Total Untreated
State Water Project Program	$138,957	12.89%	$17,907
Untreated Water Program	$34,727	100.0%	$34,727
Water Supply and Storage Planning	$746,614	12.89%	$96,215
Semitropic Banked Water Program	$14,360	12.89%	$1,850
Cawelo Banked Water Program	$12,235	12.89%	$1,577
Total Water Service Costs	**$946,893**	**16.08%**	**$152,276**

[3] Values may not add due to rounding.

Agency Overhead

This section outlines the Agency's overhead costs and calculation. The resulting overhead percentage, determined in **Table 7**, is applied to the water service costs derived in the previous section.

Overhead Costs and Calculation

Overhead costs are the ongoing costs of running the Agency that are not directly tied to water production or water service. These include expenses like property management and utilities at the Agency's headquarters, Board and administration salaries, information technology, and insurance. The Agency needs to cover these costs to stay operational, therefore the customer pays for a portion of the overhead through the rate, ensuring the Agency can maintain operations and continue to deliver water.

For this report, these costs are referred to as Central Administration costs, or indirect costs and are shared across all Agency departments. Detailed central administration costs are included in the **Technical Appendix** at the end of this report.

The overhead calculation uses both direct labor costs and indirect costs for all Agency programs. Direct labor costs are Agency staff hours charged directly to the following programs: Water Utility Support Services, Supply Source and Conveyance, Water Storage, Water Treatment, Water Transmission, and Flood Protection. Indirect costs are charged to the Central Administration program. **Table 5** shows the total direct labor and indirect costs for each program.

Table 5: Agency Direct Labor and Indirect Costs (CY 2026)[4]

Programs	Direct Labor	Indirect Costs
Water Utility Support Services	$3,479,888	$0
Supply Source & Conveyance	$326,576	$0
Water Storage	$1,857,641	$0
Water Treatment	$8,090,930	$0
Water Transmission	$1,368,913	$0
Central Administration	$0	$9,113,443
Flood Protection	$1,895,289	$0
Total - Programs	**$17,019,237**	**$9,113,443**

Table 6 takes the total direct labor and indirect costs from **Table 5** and adds the allocation of indirect costs to each program based on the proportion of direct labor costs. For example, the following equation is used to calculate the allocated Central Administration indirect costs for the Water Utility Support Services program:

[4] Values may not add due to rounding.

$9,113,443 total Central Administration costs x ($3,479,888 Water Utility Support Services direct labor costs / $17,019,237 total direct labor costs) = $1,863,407

Table 6: Agency-wide Overhead Cost Allocations (CY 2026)[5]

Programs	Direct Costs	Indirect Costs (Central Admin)	Central Admin Allocation
Water Utility Support Services	$3,479,888	$0	$1,863,407
Supply Source & Conveyance	$326,576	$0	$174,875
Water Storage	$1,857,641	$0	$994,728
Water Treatment	$8,090,930	$0	$4,332,523
Water Transmission	$1,368,913	$0	$733,024
Central Administration	$0	$9,113,443	$0
Flood Protection	$1,895,289	$0	$1,014,886
Total - Programs	**$17,019,237**	**$9,113,443**	**$9,113,443**

The relevant programs, applicable to the untreated water system, include Water Utility Support Services, Supply Source and Conveyance, and Water Storage (highlighted in light blue). **All other program costs do not directly apply to the untreated water system and are not included in the calculation.**

Table 7 shows the calculation of the untreated water overhead percentage. The Agency-wide overhead allocation is represented by the indirect costs associated with each dollar of direct labor costs. To calculate the untreated water overhead percentage, the central administration costs for the Water Utility Support Services, Supply Source and Conveyance, and Water Storage Programs are divided by the total direct labor costs for the same three programs. The resulting percentage of 53.5 percent represents approximately 54 cents of indirect costs for each dollar of applicable direct labor costs allocated to untreated water.

Table 7: Untreated Water Overhead Percentage Calculation (CY 2026)[5]

Untreated Water Programs	Direct Labor	Central Admin
Water Utility Support Services	$3,479,888	$1,863,407
Supply Source & Conveyance	$326,576	$174,875
Water Storage	$1,857,641	$994,728
Total - Untreated Water Programs	**$5,664,105**	**$3,033,010**
Overhead Percentage	53.5%	

Table 8 shows the untreated water program's portion of overhead, which is calculated by multiplying the overhead percentage determined in **Table 7** by the planned untreated water service costs for CY 2026 in **Table 4**.

[5] Values may not add due to rounding.

Table 8: Untreated Water Overhead Costs (CY 2026)[6]

Overhead Costs	Total Untreated
Untreated Water Service Costs	$152,276
Overhead Percentage	53.5%
Untreated Water Overhead Costs	$81,540

[6] Values may not add due to rounding.

Water Supply

This section of the report outlines the Agency's water supply sources and planned water supply costs for CY 2026. Water supply costs make up approximately 80-90% of the untreated water rate and historically have been very volatile and challenging to predict.

Water Supply Portfolio

The Agency's water sources are used to meet treated and untreated water demand. Treated water demand comes from municipal (retailers) and industrial (direct) customers and untreated water demand comes from agricultural customers. When available, excess surface water supplies are placed into storage locally or remotely for future use. Total water supply costs are included in the rate calculation for both treated and untreated water deliveries.

State Water Project

- **Table A**
  Table A is the Agency's portion of the State Water Project annual allocation and represents the largest portion of Zone 7's "new" water supply each year. The Agency's maximum allocation is 80,619 AF annually. Each year, the Agency receives a "Table A allocation" representing a percentage of 80,619 AF.
- **Excess Supplies**
  This is officially referred to as "Article 21" water and is surplus water that is made available, in addition to Table A water, when the San Luis Reservoir is full. It is water that would otherwise flow to the Bay.
- **Carryover**
  This is officially referred to as "Article 56" water and is available when the Agency's Table A water rolls over as carryover for use in future years. In most years, this water remains in the San Luis Reservoir, but in wet years, such as 2023, the San Luis Reservoir can be at risk of spilling, which causes stored carryover to be lost. Each year, the Agency typically reserves 10,000 to 15,000 AF as a carryover to mitigate against fluctuating Table A allocations.
- **Delta Conveyance Project**
  This project offers alternative conveyance to the existing State Water Project system based on a new, single-tunnel option to bypass the South Delta when it is unusable. The project has been developed by DWR to address challenges related to climate change/sea level rise, earthquakes, environmental impacts, and water quality degradation rendering the State Water Project conveyance system and Delta unreliable. The Board has directed staff to continue participation in the project through 2027 (Resolution No. 24-86).

Water Transfers/Exchanges

This supply is comprised of imported water purchased by the Agency through both long-term and short-term (annual) agreements with another entity (e.g., water agency, farm).

- **Yuba Accord**
  Water from this source is available mainly in dry years through an agreement with the DWR and Yuba County Water Agency. The Agency receives approximately 1 percent of available water.
- **Dry Year Transfer Program**
  During dry years, the State Water Contractors negotiate water purchases north of the Delta, making additional water available to interested State Water Project contractors.

  Other Transfers
  Water from this source is obtained through negotiations with other SWP contractors, typically in dry years when the Table A allocation is low.

Banked Water Programs

- **Cawelo and Semitropic Banked Water**
  The Agency has agreements with Semitropic Water Storage District and Cawelo Water District in Kern County for 78,000 AF and 120,000 AF of storage capacity, respectively. The Agency recovers water from these banks as needed during dry years (such as 2021 and 2022) and stores water in wet years (2023 and 2024). Recovered water is delivered via exchange through the SBA as surface water is conveyed through the Delta.

Water Supply Costs

Water supply costs are challenging to predict due to climate change and declining water supply reliability. In addition, the anticipated water supply costs and the SWP's final allocation for CY 2026 is not available until mid-2026. Because of these challenges, the CY 2026 planned water supply costs are based on the five-year historical average of allocable water supply costs. This method generates planned water supply costs of $8,536,949 for CY 2026.

Table 9 shows five years of historical water supply costs. The water supply breakdown can be found in the **Technical Appendix.**

Table 9: Five-Year Historical Water Supply Costs[7]

	Total Water Supply Costs
FY 2020-21	$5,672,701
FY 2021-22	$15,912,409
FY 2022-23	$9,107,429
FY 2023-24	$7,467,271
FY 2024-25 (Unaudited)	$4,524,934
5-Year Average	**$8,536,949**

[7] Values may not add due to rounding.

Table 10 shows the water supply cost summary and the allocation to the untreated water program. The percentage of costs allocated to untreated water customers is based on the proportion of planned water deliveries in CY 2026 from **Table 2**.

Table 10: Planned Water Supply Cost Summary (CY 2026)[8]

Planned Water Supply Cost Summary	Total Agency-wide	% To Untreated	Total Untreated
Water Supply Costs	$8,536,949	12.89%	$1,100,141
Temporary Water Supply Costs	$31,236,000	12.89%	$4,025,325

[8] Values may not add due to rounding.

Water Reconciliation Charge

This section of the report outlines the framework and calculations for the water reconciliation charge.

Reconciliation Framework

As part of the 2021 Untreated Water Rate Study, Raftelis Financial Consultants, Inc. collaborated with Agency staff to develop the following framework for calculating the annual water reconciliation charge, which is detailed in this subsection of the report. The proposed water reconciliation charge framework meets the Agency's objectives for the following reasons:

- Truing up water supply and water service costs from prior years will ensure that the Agency is collecting sufficient revenues to meet its costs.
- The water reconciliation charge, which can be an additional charge or a credit, ensures the Agency is not over- or under-collecting revenues from its untreated water customers.
- The water reconciliation charge also establishes equity between treated and untreated water customers by ensuring that untreated water customers are paying for their fair share of costs.

Step 1: Determine the implementation schedule for the water reconciliation charge.
Actual calendar year cost information is available to the Agency six months after the year ends. Therefore, the water reconciliation charge trues up costs at least two years prior to the year that it is implemented. For example, actual costs for CY 2024 are available in mid-2025; the water reconciliation charge, which is calculated to true up CY 2024 costs, is then implemented in the CY 2026 untreated water rate. The Agency's Board can determine the number of years to phase-in the reconciliation charge based on relevant policy objectives, such as minimizing customer impacts. Generally, the water reconciliation charge is applied to the next year's rate. However, if the true-up of costs in a particular year is significantly higher than planned, the Board can opt to phase-in the water reconciliation charge over a reasonable number of years to minimize impacts to customers.

Step 2: Allocate actual costs for the entire Agency between treated and untreated water based on planned or actual deliveries.
Agency costs include water supply costs, water service costs, and overhead for both treated and untreated water customers. Once actual costs are available for the reconciliation year, the proposed framework allocates each cost category based on the following:

- Water supply costs are allocated between treated and untreated customers based on each user group's proportion of actual deliveries. Since most water supply costs are variable (meaning that the more water delivered, the higher the costs), it is most equitable to allocate these costs between the two customer types based on the amount of actual water delivered to each.

- Untreated water program costs are allocated entirely to untreated water customers.
- The remaining water service costs are allocated between treated and untreated customers based on each user group's proportion of planned deliveries. Since water service costs are fixed (meaning that these costs are incurred regardless of how much water is delivered), it is most equitable to allocate these costs based on the planned deliveries that were used to calculate that year's rate.
- Overhead costs are determined by multiplying the planned overhead percentage for that year's rate by the actual water service costs allocated to untreated water customers.
- It is important to note that all cost components included in the original untreated water rate should be included in the reconciliation.

Step 3: Calculate the reconciliation amount using a cash flow analysis.
Historically, untreated water usage has been relatively steady year-to-year. However, in years where actual untreated water usage exceeds planned untreated water usage (which is used to determine the rate), increased revenue is received from the untreated water program. The cash flow analysis not only incorporates the actual costs incurred by the Agency but also isolates the untreated water customers' economies of scale generated from increased water usage. The cash flow analysis to determine the amount that is reconciled includes three components:

- Actual untreated water rate revenues for the reconciliation year
- Actual water transfer sale net revenues allocable to the untreated water program for the reconciliation year
- Actual untreated water program costs for the reconciliation year.

Actual untreated water rate revenues and water transfer sale net revenues allocable to the untreated water program are compiled for the reconciliation year and actual untreated water program costs were determined in Step 2. The cash flow analysis is equal to the actual untreated water rate revenue sources less actual untreated water costs.

If a reconciliation balance is outstanding, the credit/charge resulting from the cash flow analysis will be applied to the outstanding reconciliation balance.

Step 4: Determine the water reconciliation charge.
To determine the reconciliation charge, the reconciliation amount, calculated in Step 3, is divided by the planned deliveries for the implementation year. The reconciliation charge is then divided by the number of phase-in years determined in Step 1. The resulting number is the reconciliation charge to apply to each future year.

Step 5: Repeat the same process for future years.
This framework can be used to determine the water reconciliation charge for any future year. The Agency's Board can elect to phase-in the water reconciliation charge as determined in Step 1. However, the reconciliation implementation schedule determined in

Step 1, must be incorporated each year to ensure Agency staff can fully understand the financial impacts of the implemented rates, especially rates that are lower than what is necessary to fully reconcile all costs and revenues for the untreated water system.

CY 2024 Reconciliation Calculation

This subsection will detail the calculation for the CY 2024 water reconciliation amount following the steps outlined in the framework.

Step 1: Determine the implementation schedule for the water reconciliation charge.
As a result of the CY 2022 reconciliation calculation, the Board approved a five-year implementation schedule of the outstanding reconciliation balance (Resolution No. 23-77, dated October 18, 2023). The second year of the phase-in was applied to the CY 2025 untreated water rate.

Step 2: Allocate actual costs for the entire Agency between treated and untreated water based on planned or actual deliveries.
Table 11 shows the planned and actual water deliveries between untreated and treated water in CY 2024. The planned deliveries for CY 2024 are the same as those used to calculate the CY 2024 untreated water rate. The resulting percentage allocations are then used to divide actual water supply and water service costs to untreated water customers.

Table 11: Water Deliveries and Allocations (CY 2024)[9]

Water Deliveries	Untreated Water	Treated Water	Total
Planned Deliveries (AF)	5,412	34,721	**40,133**
Percent Allocation	13.49%	86.51%	**100%**
Actual Deliveries (AF)	4,336	35,618	**39,954**
Percent Allocation	10.85%	89.15%	**100%**

Table 12 shows the CY 2024 actual costs allocated to untreated water. Water supply costs are allocated based on the percent of actual deliveries, untreated water program costs are allocated entirely to untreated water and the remaining water service costs are allocated based on the percent of planned deliveries from **Table 11**. Untreated overhead costs are allocated based on the planned overhead allocation.

[9] Values may not add due to rounding.

Table 12: Actual Untreated Water Supply and Service Costs (CY 2024)[10]

Actual Costs (CY 2024)	Agency Total	Allocation Method	% to Untreated	Total Untreated
Water Supply Costs[11]				
Delta Conveyance Project	$2,375,000	Actual Deliveries	10.85%	$257,746
SWP Transportation[12]	$2,363,611	Actual Deliveries	10.85%	$256,510
Yuba Accord	$0	Actual Deliveries	10.85%	$0
Dry Year Transfer Program	$0	Actual Deliveries	10.85%	$0
Other Water Transfers	$0	Actual Deliveries	10.85%	$0
Semitropic Banked Water	$245,140	Actual Deliveries	10.85%	$26,604
Semitropic Banked Water O&M	$559,000	Actual Deliveries	10.85%	$60,665
Cawelo Banked Water	$898,774	Actual Deliveries	10.85%	$97,539
Total Water Supply Costs	**$6,441,525**			**$699,064**
Water Service Costs				
State Water Project Administration	$99,542	Planned Deliveries	13.49%	$13,423
Untreated Water Administration	$41,767	Untreated Water	100%	$41,767
Water Supply and Storage Planning	$398,450	Planned Deliveries	13.49%	$53,732
Water Banking Programs	$35,792	Planned Deliveries	13.49%	$4,827
Total Water Service Costs	**$575,551**			**$113,749**
Overhead				
Total Overhead Costs	N/A	Planned	47.83%	**$54,410**
Total Costs	**$7,017,076**			**$867,223**

Step 3: Calculate the reconciliation amount using a cash flow analysis.
The cash flow analysis determines whether the untreated water program revenue, collected in CY 2024, was sufficient to cover the actual untreated water program costs. Where revenues exceed costs, a credit is applied to the reconciliation balance. Where costs exceed revenue, a charge is applied.

[10] Values may not add due to rounding.
[11] CY 2024 water supply costs reflect a State Water Project Allocation of 40%.
[12] SWP Transportation costs exclude cost incurred to convey 8,392 AF of water for groundwater basin recharge.

Table 13 shows the cash flow analysis used to determine whether CY 2024 resulted in a credit or charge against the untreated water program reconciliation balance.

Table 13: Cash Flow Analysis (CY 2024)

	CY 2024
Actual Untreated Water Rate Revenue	$1,140,368
Actual Water Transfer Sale Net Revenues Allocable to Untreated Water Program	$94,634
Total Untreated Water Program Revenue	*$1,235,002*
Less: Actual Untreated Water Costs	$867,223
CY 2024 Credit	**$367,779**

The planned reconciliation collection for CY 2024 was approximately $233K ($43/AF multiplied by 5,412 AF of planned untreated water sales). The water cost savings and additional net revenue from the water transfer sale in CY 2024 enabled the Agency to collect the planned amount plus an additional $135K.

Step 4: Determine the water reconciliation charge.
The CY 2024 reconciliation resulted in a credit which has been applied to the outstanding reconciliation balance. Per Resolution No. 23-77, dated October 18, 2023. In CY 2024, the Board revised year two (CY 2025) of the five-year implementation schedule, reducing the reconciliation charge from $42/AF to $24/AF.

The Finance Committee's recommendation is to modify the CY 2026 reconciliation charge to $32/AF. **Table 14** shows the newly proposed reconciliation schedule for the remaining three years.

Table 14: Five-Year Implementation Schedule: Committee Recommendation

	Year 1 CY 2024 Actual	Year 2 CY 2025 Actual	Year 3 CY 2026 Recommended	Year 4 CY 2027 Planned	Year 5 CY 2028 Planned
2025 Committee Recommendation	$43	$24	$32	$41	$48

Outstanding Reconciliation Balance

The outstanding reconciliation amount as of December 2024 is ($740,387).

Proposed Untreated Water Rates

This section of the report combines the planned water service costs, overhead costs, water supply costs, and the scheduled reconciliation charge to calculate the proposed untreated water rates in **Table 15**.

CY 2026 Proposed Untreated Water Rates

Table 15 shows the proposed untreated water rate calculation for CY 2026. The proposed untreated water rate includes the untreated water system's portion of water service costs (from **Table 4**), overhead costs (from **Table 8**), and water supply costs (from **Table 10**). The temporary untreated water rate includes all untreated water costs and the temporary water supply costs (from **Table 10**). The reconciliation charge is not applied to the temporary untreated water rate. The untreated costs are divided by the planned untreated water deliveries for CY 2026 (from **Table 2**) to derive the rate per AF of water.

Table 15: Proposed Untreated Water Rates Calculation (CY 2026)[13]

Untreated Water Rate Calculation	Total Untreated	Planned Untreated Deliveries (AF)	Unit Rate ($/AF)
Water Service Costs	$152,276	5,243	$29
Overhead Costs	$81,540	5,243	$16
Water Supply Costs	$1,100,141	5,243	$210
Calculated Untreated Water Rate			*$255*
CY 2026 Reconciliation Charge			$32
Proposed Untreated Water Rate	**$1,333,957**		**$287**
Untreated Water Costs	$1,333,957	5,243	$255
Temporary Water Supply Costs[14]	$4,025,325	5,243	$768
Proposed Temporary Untreated Water Rate	**$5,359,282**		**$1,023**

[13] Values may not add due to rounding.
[14] Temporary costs include the State Water Project fixed costs collected through the property tax override.

Technical Appendix

Table 16: Water Service Cost Detail (CY 2026)[15]

Water Service Costs	Hourly Rate ($/hr)[16]	Hours Worked	Total Cost
Untreated Water Administration			
Financial Analyst	$161.46	87	$14,047
Senior Planner	$164.54	4	$658
Associate Engineer	$179.49	106	$19,026
Integrated Planning Manager	$197.20	3	$592
Senior Planner	$155.63	1	$156
Associate Planner	$124.08	2	$248
Total- Untreated Water Administration			**$34,727**
Water Utility Planning Administration			
Water Resources Manager	$215.49	234	$50,425
Water Resources Tech II	$132.47	145	$19,208
Integrated Planning Manager	$197.20	593	$116,940
Engineering Manager	$230.86	14	$3,232
Associate Engineer	$179.49	327	$58,693
Senior Planner	$164.54	133	$21,884
Associate Engineer	$164.83	987	$162,687
Senior Planner	$155.63	4	$623
Principal Engineer	$213.63	17	$3,632
Associate Planner	$124.08	728	$90,330
Associate Engineer	$147.97	26	$3,847
Assistant Engineer	$134.38	367	$49,317
Total - Water Utility Planning Administration			**$580,818**
State Water Project Administration			
Associate Engineer	$179.49	245	$43,975
Associate Planner	$124.08	473	$58,690
Integrated Planning Manager	$197.20	10	$1,972
Water Resources Manager	$215.49	135	$29,091
Associate Engineer	$164.83	27	$4,450
Senior Planner	$155.63	5	$778
Total - State Water Project Administration			**$138,957**
Water Storage Administration			
Integrated Planning Manager	$197.20	6	$1,183
Associate Engineer	$179.49	33	$5,923
Total - Water Storage Administration			**$7,106**

[15] Values may not add due to rounding.
[16] Includes salaries, wages, and benefits.

Other Water Supplies			
Water Resources Manager	$215.49	99	$21,334
Integrated Planning Manager	$197.20	44	$8,677
Associate Engineer	$179.49	106	$19,026
Senior Planner	$155.63	1	$156
Associate Planner	$124.08	136	$16,875
Total - Other Water Supplies			**$66,067**
Supply Source & Conveyance Administration			
Water Resources Manager	$215.49	345	$74,344
Associate Engineer	$179.49	61	$10,949
Integrated Planning Manager	$197.20	36	$7,099
Engineering Manager	$230.86	1	$231
Total - Supply Source & Conveyance Administration			**$92,623**
Semitropic			
Associate Engineer	$179.49	33	$5,923
Associate Planner	$124.08	68	$8,437
Total - Semitropic			**$14,360**
Cawelo			
Associate Engineer	$179.49	26	$4,666
Associate Planner	$124.08	61	$7,569
Total - Cawelo			**$12,235**

Table 17: Central Administration (Indirect Cost) Detail (CY 2026)[17]

Account Description - Central Administration	Total Indirect Costs	Flood Protection Operations	Water Operations	
			Treated Water Customers	Untreated Water Customers[18]
Salaries and Wages (Board of Directors, Office of General Manager, Finance, Human Resources and Administration)	$3,760,455	$418,770	$3,308,039	$33,646
Professional and Technical Services (Website, Communication, North Canyons Property Management, etc.)	$1,338,010	$149,003	$1,177,035	$11,972
County Services (Payroll and Vendor checks etc.)	$2,192,774	$244,191	$1,928,964	$19,619
Insurance Services (Property, General Liability, Cyber, etc.)	$755,250	$84,106	$664,387	$6,757
Gas and Electricity for North Canyons	$142,753	$15,897	$125,579	$1,277
Sewer Discharge Fees	$1,182	$132	$1,040	$11
Water Service for North Canyons	$5,559	$619	$4,890	$50
Communications (Telecommunication services for North Canyons)	$54,132	$6,028	$47,619	$484
Garbage Disposal Services for North Canyons	$12,733	$1,418	$11,201	$114
Janitorial Services/Supplies for North Canyons	$317	$35	$279	$3
Repairs/Service of Equipment (Backup Generator repairs etc.)	$11,288	$1,257	$9,930	$101
Repairs/Service of Buildings & Property (Commercial property Mgmt., ADT security services etc.)	$259,980	$28,952	$228,702	$2,326
Maintenance Parts & Supplies (Irrigation parts, electrical parts and misc. supplies)	$739	$82	$650	$7
Rents & Leases - Equipment (Copier machine, postage meter etc.)	$22,732	$2,531	$19,997	$203
General Office Supplies & Expenses (IT services, software, paper, pens, files etc.)	$430,696	$47,963	$378,879	$3,854
Reproduction and Printing (Budget book etc.)	$601	$67	$529	$5
Subscriptions (Newspapers, CA Dept of Fish and Wildlife)	$2,487	$277	$2,188	$22
Postage, Delivery & Shipping (Payments to US Postal Services, FedEx etc.)	$206	$23	$181	$2
Organization Memberships (Membership for Board Members, GM, Admin Staff etc.)	$8,250	$919	$7,257	$74
Support and Program Participation (Sponsorships - Association of Bay Area Governments (ABAG)	$0	$0	$0	$0
Advertising and Legal Notices (Job postings)	$15,242	$1,697	$13,408	$136
State and Local Fees (City of Livermore Tri-Valley Tech Park CFD No. 99-1 Series 2015 Bonds)	$27,164	$3,025	$23,896	$243
Training Materials and Services (ACWA Training, Water Education, CSMFO and GFOA)	$47,459	$5,285	$41,749	$425
Educational Stipend - Zone 7	$15,322	$1,706	$13,479	$137
Travel/Transportation (Board Members travel expense reimbursement)	$3,405	$379	$2,995	$30
Mileage	$4,706	$524	$4,140	$42
Total	**$9,113,443**	**$1,014,887**	**$8,017,015**	**$81,540**

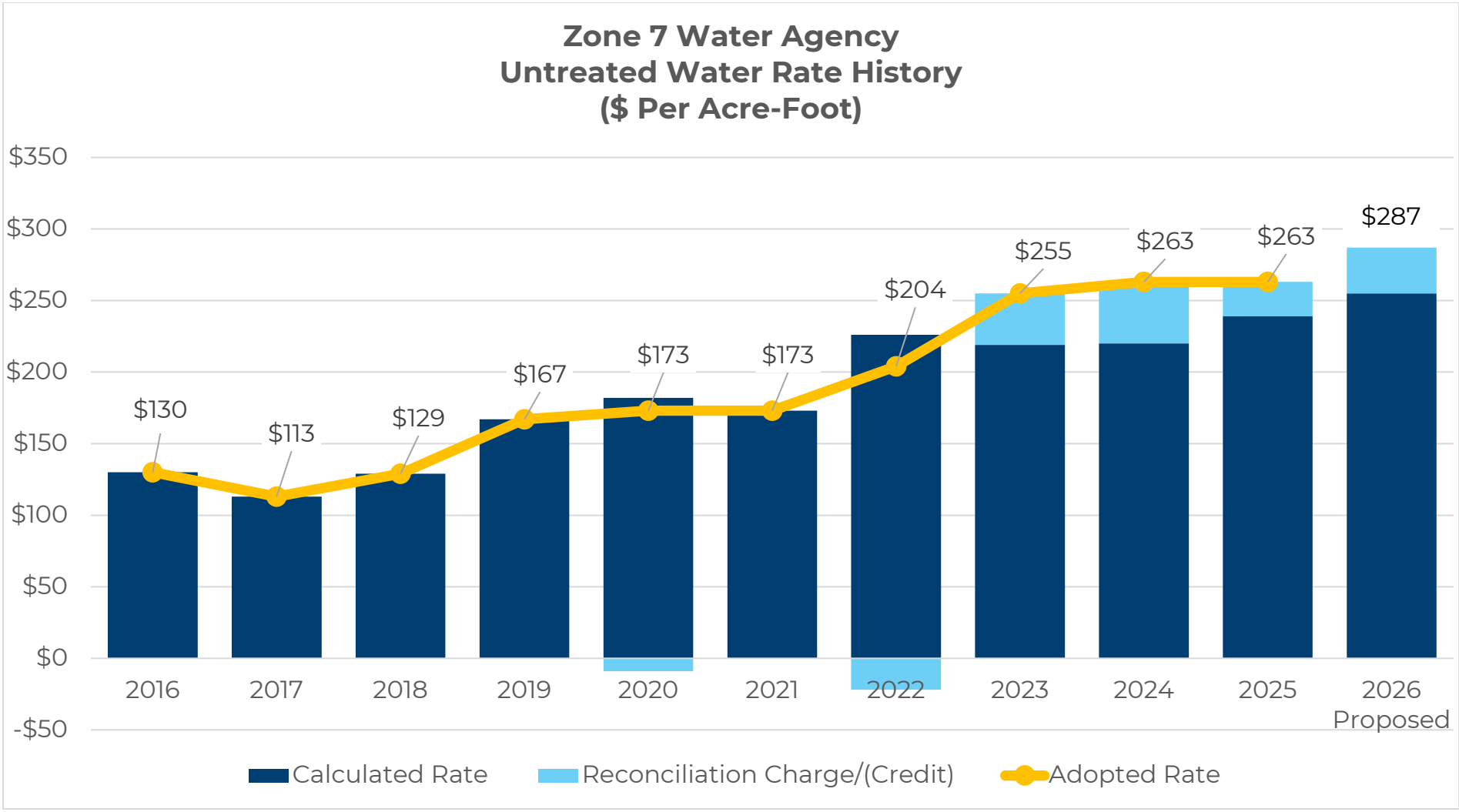
[17] Values may not add due to rounding.
[18] Untreated Customers pay approximately 0.89% of total Agency overhead.

Table 18: Water Supply Breakdown (CY 2026)[19]

Water Supply Cost Breakdown	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25 (Unaudited)	5-Year Average
State Water Project	$1,643,971	$2,040,223	$1,114,630	$3,779,334	$2,726,637	$2,260,959
Water Transfers/Exchanges	2,153,562	8,192,572	3,880,464	128,000	51,799	2,881,279
Banked Water Programs	1,179,750	4,305,743	2,246,378	1,184,937	559,000	1,895,162
Delta Conveyance Project	695,418	1,373,871	1,865,957	2,375,000	1,187,498	1,499,549
Total Water Supply Costs	**$5,672,701**	**$15,912,409**	**$9,107,429**	**$7,467,271**	**$4,524,934**	**$8,536,949**

[19] Values may not add due to rounding.

Attachment B



ITEM NO. 10

ZONE 7 WATER AGENCY
Delivering Quality, Reliability and Safety

100 North Canyons Parkway
Livermore, CA 94551
(925) 454-5000

ORIGINATING SECTION: Office of the General Manager
CONTACT: Valerie Pryor

AGENDA DATE: October 15, 2025

SUBJECT: Request for Out-of-State Travel to Attend Upcoming Association of California Water Agencies' DC Conference

SUMMARY:

Zone 7 staff monitors federal actions and budget matters to support Strategic Plan Goal G – Stakeholder Engagement and Goal H – Fiscal Responsibility.

Directors Benson, Green, Narum, and Palmer, along with Carol Mahoney, Government Relations Manager, have expressed interest in attending the Association of California Water Agencies' (ACWA) Annual DC Conference, scheduled for February 24-26, 2026, in Washington, D.C. This conference provides opportunities for agencies to engage with federal legislators and regulatory bodies. Zone 7 has participated in the past, particularly following elections, to introduce new legislators to Agency projects and priorities.

After reviewing current conditions, staff finds few compelling reasons for Zone 7 to participate in the 2026 ACWA DC Conference. At this time, there are no significant new capital projects in design or construction that would be strong candidates for FY 2027 congressional funding. The Mocho PFAS Treatment Facility design phase, previously submitted, was not successful, and there are no immediate replacements ready for federal requests. In addition, staff has not identified any new or urgent federal policy issues that directly impact Zone 7's operations. All federal representatives covering the Zone 7 service area are already well known to the Agency, and those relationships can be maintained without attending the conference. Finally, should specific federal needs arise, targeted meetings with legislators can be scheduled independently at a far lower cost than conference participation.

While the conference provides valuable opportunities for engagement, staff concludes that attending in 2026 is not warranted given current project readiness and priorities.

Zone 7 has typically sent two or three Directors to the conference except for the virtual conference in 2021. Recent attendance has been:

Year	Attendees
2025	Laurene Green
2024	Sarah Palmer, Angela Ramirez Holmes, Laurene Green
2023	Dawn Benson, Laurene Green
2021	Laurene Green, Sarah Palmer, Angela Ramirez Holmes, Olivia Sanwong (webinar version – no travel involved)
2020	Sarah Palmer, Dick Quigley

FUNDING:

Conference participation is estimated at approximately $5,300 per attendee (conference fee, airfare, accommodations), to be covered by Fund 100 – Water Enterprise Operations.

RECOMMENDED ACTION:

That the Board of Directors adopt one of the following recommendations:

1. Affirm staff's recommendation not to attend the 2026 ACWA DC Conference and instead conserve resources for future years when project readiness and legislative priorities may justify participation; or

2. Adopt the attached resolution authorizing Directors and Carol Mahoney, Government Relations Manager to attend the 2026 ACWA DC Conference.

ATTACHMENT:

Resolution

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO. 25-

INTRODUCED BY DIRECTOR
SECONDED BY DIRECTOR

Authorization for Out-Of-State Travel to Attend Upcoming Association of California Water Agencies' DC Conference

WHEREAS, four Directors, and Carol Mahoney, Government Relations Manager, have expressed an interest in attending the Association of California Water Agencies' (ACWA) Annual DC Conference to be held February 24-February 26, 2026, in Washington, DC;

WHEREAS, the proposed action is in support of Strategic Plan Goal G – Stakeholder Engagement and Goal H – Fiscal Responsibility.; and

WHEREAS, pursuant to the Board of Directors Compensation and Expense Reimbursement Policy, Section D, each member of the Board of Directors is encouraged to participate in activities and organizations which, in the judgment of the Board, further the interests of Zone 7; and

WHEREAS, compensation and reimbursement of related expenses must be specifically authorized by the Board; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control & Water Conservation District does hereby authorize Director _____, and Carol Mahoney's attendance at ACWA's Annual DC Conference; and

BE IT FURTHER RESOLVED that Director _____, and Carol Mahoney be reimbursed for actual and necessary expenses associated with attendance at this event.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on October 15, 2025.

By: _____
President, Board of Directors

ITEM NO. 11a

ZONE 7 BOARD OF DIRECTORS
SUMMARY NOTES OF THE FINANCE COMMITTEE

September 10, 2025
3:00 p.m.

Directors Present: Dawn Benson
Catherine Brown
Kathy Narum

Staff Present: Valerie Pryor, General Manager
Chris Hentz, Assistant General Manager - Engineering
Osborn Solitei, Treasurer/Assistant General Manager – Finance
Lizzie Foss, Financial Analyst
JaVia Green, Financial Analyst
Donna Fabian, Executive Assistant

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1. Call Meeting to Order

Director Benson called the meeting to order at 3:00 p.m.

2. Public Comment on Items Not on the Agenda

There were no public comments.

3. Calendar Year 2026 Preliminary Untreated Water Rate

Lizzie Foss, Financial Analyst, presented on the preliminary untreated water rate for calendar year 2026, noting the item aligns with the Agency's strategic goal of fiscal responsibility. She explained that the staff report had been updated to reflect a revised 2024 reconciliation, which now includes approximately $95,000 in additional net revenue from a water transfer sale. This adjustment increased the reconciliation amount to just under $368,000 and reduced the untreated outstanding reconciliation balance to negative $740,837. Ms. Foss outlined the annual process for setting untreated water rates, which begins with reconciliation analysis in the summer, followed by calculation of the preliminary rate, Finance Committee review, and eventual Board adoption in October.

Ms. Foss reported that the calculated untreated water rate for 2026 is $255 per acre-foot, composed of 82% water supply costs, 12% water service costs, and 6% overhead. In addition, the reconciliation balance continues to be collected over a five-year period, as determined in 2023. The scheduled reconciliation charge for 2025 was previously adjusted from $42 to $24 per acre-foot and shifted to year five. Based on the results of the 2024 reconciliation results staff is now proposing to adjust the schedule to maintain a zero balance by 2028. The reconciliation charge for 2026 is set at $42 per acre-foot. Combining the calculated rate with the reconciliation charge, the preliminary untreated water rate for 2026 totals $297 per acre-foot, representing a 13% increase over the current year.

Director Narum thanked Ms. Foss for the presentation and inquired about feedback from a recent meeting with growers. Ms. Foss reported that growers expressed concern about industry struggles and requested an extension of the reconciliation collection period. Valerie Pryor, General Manager, added that wine industry sales are down, and increases in water costs are an additional burden, though staff must present rates in compliance with Board policy.

Director Narum confirmed that rates are based on a five-year average to smooth out wet and dry years and asked about sales trends for 2025. Ms. Foss responded that untreated sales may fall slightly below the projected 5,200 acre-feet, with costs expected to trend close to the prior year.

Public comment was received from Scott Akin, Diana Roberts, and Ken Wong.

Following discussion, Director Narum emphasized the Board's fiduciary responsibility while also acknowledging the vineyards' importance to the community. She noted that staff followed policy in structuring the reconciliation schedule but reminded the Committee that the Board retains authority to phase in charges to minimize customer impacts. Director Narum proposed reducing the reconciliation charge for 2026 from $42 to $32 per acre-foot, highlighting the need to balance fiscal responsibility with sensitivity to customer challenges.

The Finance Committee recommended forwarding the reconciliation rate of $32 per acre-foot for calendar year 2026 to the full Board.

4. FY 2024-25 Unaudited Fourth Quarter Revenue and Expenditure Report

JaVia Green, Financial Analyst, presented the Unaudited Revenue and Expenditure Report for July 1, 2024, through June 30, 2025. She noted that the report aligns with the Agency's fiscal responsibility goals. Highlights included treated water sales coming in $1.7 million above budget, primarily due to continued supplemental supplies provided to Pleasanton as its wells remain offline because of PFAS. Rapid construction in Livermore led to connection fee revenue exceeding budget by $10.8 million. Based on unaudited actuals, the newly created Water Reliability Reserve will hold $9.8 million. Flood protection expenditures came in under budget, largely due to permitting delays on storm repair projects.

Ms. Green reviewed the Agency's funds, beginning with unrestricted funds. Fund 100, Water Enterprise Operations, showed higher-than-budgeted revenue, supported by higher water sales and an unplanned refund related to the Los Vaqueros project, while expenses were $6.4 million under budget, mostly due to reduced imported water costs. Fund 120, the Water Enterprise Capital Fund, saw lower revenue because a $16 million DWR grant was mostly received in the prior fiscal year, though the Agency did record $5.3 million in net proceeds from the PFAS settlement. Multiple capital projects were completed, including a test well at Del Prado Park, the Chain of Lakes PFAS facility, and a chemical storage tank at the Mocho Groundwater Demineralization Facility.

Ms. Green then summarized restricted funds. Fund 110, the State Water Facilities Fund, benefited from higher-than-budgeted property tax revenue, with expenses tracking close to budget. Fund 130, the Water Enterprise Expansion Fund, saw significant revenue growth from development in Livermore, with expenses slightly under budget. Fund 200, Flood Protection Operations, was underspent due to delays in large storm repair projects, though funds will carry forward. Fund 210, Flood Protection Expansion, exceeded revenue projections by $4.0 million, supported by development fees and favorable interest earnings.

Director Narum asked about the stability of property tax revenue given local vacancies and lower home sales. Osborn Solitei, Treasurer/Assistant General Manager – Finance, confirmed that assessed valuation has increased across the service area, resulting in higher property tax receipts. Director Narum also asked about rising chemical costs, to which Mr. Solitei explained the Agency benefits from consortium pricing with vendors. She further asked about solar projects, and Ms. Pryor reported that the largest savings come from PWRPA, with additional savings expected once the Stoneridge facility is converted, pending PG&E scheduling.

Director Narum commended staff for managing resources effectively, funding all reserves at target levels, and creating the nearly $10 million Water Reliability Reserve. She thanked Finance staff and management for their diligence in keeping costs under control.

The Finance Committee recommended forwarding the Unaudited Fourth Quarter Revenue and Expenditure Report to the full Board.

5. Adjournment

The meeting was adjourned at 3:54 p.m. by Director Benson.

October 15, 2025, Board Report - PALMER

September 16
Oral Argument for Preliminary Injunction Case - DCA/DWR
Appeal to stop injunction against test geotech prior to start of DCP. Arguments of whether the drilling of test wells constitutes a problem with CEQA and is in fact a start of the project itself. Tulare Lake Basin Water Storage District et al. v. Department of Water Resources.

September 19
ACWA Board meeting. Presentation of Selection Committee choice for new ED.

September 25-26
Region 5 Event Hosts Tour of SPUC's Water System
By Region 5 Vice Chair Sarah Palmer as told to Will Holbert (ACWA)
Hosted by the San Francisco Public Utilities Commission (SFPUC), the ACWA Region 5 Sept. 25–26 event combined valuable networking opportunities with an in-depth tour of San Francisco's water distribution system and its unique collaboration with the San Francisco Fire Department (SFFD). From the very start, participants could see the extraordinary level of preparation that went into the day. Each stop highlighted both the history and the forward-looking planning that shape San Francisco's approach to water, wastewater, and emergency management. Attendees gained insights into how the city's systems connect and maximize resiliency in water supply, wastewater treatment, flood protection, seismic resilience and preparation for sea level rise. For seasoned water professionals from across Region 5 and the state, it was an unusually rich and detailed experience. About 50 people joined us.

One of the highlights was a visit to SFFD's Pumping Station #2 at Fort Mason, a living time capsule of early 20th century engineering. Built in 1913, the facility still houses its original pumping equipment, designed to push saltwater uphill at 300 pounds per square inch in the event of a major fire. Though it has never been used, the station remains a critical part of San Francisco's fire protection network and was even considered for activation after the 1989 earthquake. The visit offered attendees a powerful reminder of how durable infrastructure from the past continues to underpin resilience today.

The tour covered the city from top to bottom—from Twin Peaks Reservoir beneath Sutro Tower to the Southeast Treatment Facility, a 1950s-era wastewater plant now undergoing a major retrofit. Along the way, SFPUC Assistant General Manager for Water Enterprise Steve Ritchie volunteered his day serving as tour guide, providing historical context, technical insights as well as a glimpse into the future of San Francisco's water systems. From cisterns and color-coded fire hydrants to innovative upgrades and emergency preparedness, participants came away with a deep appreciation of how water and fire protection work hand in hand in San Francisco. Perfect weather, an engaged audience and a lively networking reception organized by ACWA staff made the event a resounding success.

Region 5 extends thanks to event sponsors ACWA JPIA, HDR, Kleinfelder, Stantec, and Valley Water for making the experience possible.

September 26
It was officially announced that I will be the Chair of Region 5 starting in January 2026. John Varela will be Vice Chair.

September 30
ACWA full Board meeting. An Executive Director has not yet been chosen. An official information release was made on October 1 as follows:

After thoughtful consideration, the ACWA Board of Directors has decided to re-open the recruitment effort for a new Executive Director and retain a new executive search firm to support this important process.

"The Board of Directors remains fully committed to finding the right leader to guide the association into the future," said ACWA President Cathy Green. "Because of the critical nature of this decision, the Board agreed it was in the best interest of members and staff to engage a new recruitment firm and continue the search effort to ensure the best possible outcome."

Marwan Khalifa, who has served as Interim Executive Director since February, will continue to lead the association until the position is filled. He previously served as Chief Financial Officer and District Treasurer for Mesa Water District, as well as Chair of ACWA's Finance Committee and member of the ACWA Board and Executive Committee.

"ACWA staff remains committed to delivering exceptional value to all members during this transition period," Khalifa said. "We look forward to continuing our engagement with the California water community through collaboration, strong legislative and regulatory advocacy and world-class region events and fall conference."

October 1
Zone 7 Administrative Meeting. The committee has decided to bring a policy to the board to recommend that Zone 7 not fund ballot statements.

October 3
ACWA Training for incoming Region Chairs and Vice Chairs
Input for committee assignments due November 3.

October 10
DCA Board Prep call with Graham Bradner (ED)

On Delta Conveyance Project:

October 3, 2025

NOI to Submit Certification of Consistency with the Delta Plan: Delta Conveyance Project

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This notice serves to inform all interested parties that the California Department of Water Resources (DWR) intends to submit to the Delta Stewardship Council a Certification of Consistency for the Delta Conveyance Project. Consistent with the Delta Stewardship Council requirements, DWR is posting a draft of the certification at least 10-days prior to formal submission for public review and comment. Please send all comments to DCP_Consistency@water.ca.gov by October 13, 2025. The draft certification can be found on the Delta Conveyance Project website.

ZONE 7 WATER AGENCY
Delivering Quality, Reliability and Safety

100 North Canyons Parkway
Livermore, CA 94551
(925) 454-5000

ORIGINATING SECTION: Office of the General Manager
CONTACT: Valerie Pryor

AGENDA DATE: October 15, 2025

SUBJECT: General Manager's Report

SUMMARY:

The following highlights key activities from last month. Also attached is a list of the General Manager (GM) contracts executed during September.

Administration and Outreach:

Staff is proud to announce Fitch Ratings has upgraded the Agency's outstanding water revenue bonds and issuer default ratings from 'AA+' to 'AAA', garnering the highest possible credit rating available in the financial markets! This is a significant achievement, as the Agency is now one of only a few California water districts currently rated 'AAA' by Fitch, specifically, one of 12 water agencies and one of 4 wholesale water agencies in the state. Higher investment-grade ratings allow the Agency to attract a broader group of bond buyers and price its debt at a lower rate, saving millions of dollars in interest payments on behalf of ratepayers.

Open House: Marketing is in full swing for Zone 7's open house on October 18, 2025, with large signage at North Canyons, and signage on trails, social media, newsletter, and the Eventbrite page. Agencies that have agreed to participate on the day of the event are the City of Pleasanton, the City of Livermore, the East Bay Regional Parks District, the Livermore-Pleasanton Fire Department, and Living Arroyos. A mobile petting zoo, along with goats, and the fan favorite hot dog vendor, are scheduled to be present.

Integrated Water Resources:

October marks the start of Water Year 2026, which runs from October 1, 2025, to September 30, 2026. Key water year statistics for Water Year 2025 include:

- **Local rainfall index**- 10.41 inches (72% of average)
- **Northern Sierra precipitation** – 56.6 inches (106% of average)
- **Lake Oroville inflow** – Estimated at 5,730,000 AF (138% of average)

In September, treated water supply was comprised of 68% surface water and 32% groundwater.

Delta Conveyance Project (DCP): The DCP Change in Point of Diversion (CPOD) hearing process before the State Water Board's Administrative Hearing Office (AHO) continues. Nine hearings were held in September, and eleven are planned for October, not including the site visit. Currently, the protesting parties are presenting their cases-in-chief. The DCP budget trailer bill, which would have streamlined permitting, did not make it out of the state legislature this session. However, the State Water Contractors did make inroads with many legislators at the Capitol. Moreover, in a letter sent to Zone 7 on September 15, the Director of the California Department of Water Resources reaffirmed the State's commitment to continuing to advance this project for consideration of implementation in 2027.

Sites Reservoir: The Sites Reservoir Committee and Authority Board met on September 19. The Sites Authority has been refining the project's biological terrestrial mitigation contracting strategy in response to comments received from industry representatives. There is a need for additional land access and acquisitions to support future construction activities and to maintain the planned online date of 2032. Funding these land access and land acquisition activities will be considered at the October Sites Reservoir Committee and Authority Board meeting. The Sites Authority will be reviewing the Lower Colusa Basin Drain System at future Operations and Engineering Workgroup meetings to provide participants with a better understanding of how water is conveyed through the system.

Engineering and Water Quality:

Delivered Water PFAS Monitoring: The third quarter PFAS sampling results indicate no detection of PFAS in the treated water delivered to our customers. The quarterly PFAS monitoring summary report is available on the Zone 7 website: www.zone7water.com/sites/main/files/file-attachments/pfas_q3_2025_delivered_water_summary_20250917.pdf

Mocho PFAS Treatment Plant: The Mocho PFAS Treatment Plant (MTP) will remove PFAS from Mocho wellfield supplies to meet drinking water standards and restore production capacity and water supply reliability. The site is owned by the City of Pleasanton and Dublin San Ramon Services District; additional rights of way would be needed to accommodate the new facilities.

The project team held the first community meeting at the Parkside office on September 22. Over 900 postcard invitations were sent to the neighborhoods near the project site announcing the meeting. Attendance was limited to potential progressive design-build (PDB) teams; no neighbors attended. A project table is planned at the Zone 7 Open House on October 18 for additional public outreach, where posters of the project scope and pre-conceptual renderings will be displayed and project informational handouts will be made available. The second community meeting, which will provide a project overview, updates, and additional information on the California Environmental Quality Act (CEQA) process, is anticipated for mid-December at the Parkside office. A dedicated project email, mtp@zone7water.com, has been created for questions and concerns from the community, and the project website has been updated with the latest project scope and status.

The Request for Proposals to provide PDB services was issued on September 29, with proposals due on November 21. To satisfy CEQA, an Initial Study has been completed, and the consultant is preparing the Mitigated Negative Declaration.

2023 Storm Damage Repairs: Construction, led by U.S. Army Corps of Engineers (USACE), is underway at four major storm damage sites along the Arroyo Mocho in Pleasanton. USACE is scheduled to complete the in-channel work by October 15, in alignment with regulatory requirements and the seasonal construction window.

Monthly List of GM Contracts

September 2025

Contracts	Amount	Purpose
Water Resources Economics, LLC	$50,000	Developing a Fee White Paper
Yorke Engineering	$50,000	Environmental Compliance and Industrial Hygiene Services
Total September 2025	$100,000	

ZONE 7 WATER AGENCY
Delivering Quality, Reliability and Safety

100 North Canyons Parkway
Livermore, CA 94551
(925) 454-5000

ITEM NO. 14b

ORIGINATING SECTION: Office of the General Manager
CONTACT: Donna Fabian

AGENDA DATE: October 15, 2025

SUBJECT: September Outreach Activities

SUMMARY:

In alignment with the Agency's 2025–2029 Strategic Plan Goal G – Stakeholder Engagement, Zone 7 is dedicated to fostering understanding of community needs, the Agency, and its functions. Initiative #19 emphasizes transparency and effective communication as essential for building trust and upholding our commitment to customer service and integrity. The Agency shares proactive updates, promotes key initiatives, and engages stakeholders through education campaigns, outreach programs, and digital tools. This report highlights progress and key activities that strengthen community relationships and advance these goals.

<u>Communications Updates</u>:

- **Mocho PFAS Treatment Plant** – The first outreach meeting for the planned Mocho PFAS Treatment Plant was held on September 22. A summary report of the outreach efforts and materials is attached.

- **Conservation Zone Rebates** – **Outreach for New Rates** – A new Conservation Zone Rebates campaign was developed in partnership with the Water Resources team to promote the new higher rebate amounts. A campaign toolkit was developed with new videos, graphics, bill inserts, and ads, then shared with participating retail partners for a comprehensive joint campaign. Pre-promotion began in September with a press release, newsletter and social media posts. Full promotion, including a paid campaign to promote the new higher rebate amounts and drive traffic to the revamped section of the website has begun. A full summary report will be provided next month.

- **New Water Wonders of Zone 7 Event** – Promotion for the new Water Wonders of Zone 7 event will continue through October 18, coordinated with our annual Flood Ready Freddy campaign for Flood Preparedness Week. The campaign features existing videos that share emergency preparedness tips with the community. A full summary report will be provided next month.

Press:

- Staff sent out the September e-newsletter.
- The following press releases were sent in September:
    - September 8: Zone 7 Increases Water Conservation Rebate Limits to Help Customers Be Water Efficient
    - September 29: Zone 7 Receives Highest Bond Rating from Fitch Ratings

Outreach Updates

Schools' Program:

The school year is off to a strong start with 59 classroom visits in September. Another 50 lessons are planned for October.

In-Person Events:

Splatter
Saturday, September 13 | 12:00p.m.-8:30 p.m. | Emerald Glen Park, 4120 Central Parkway, Dublin
Zone 7 Water once again hosted a booth at the City of Dublin's popular festival. Visitors picked up informational materials, Zone 7 giveaways, and played a Plinko game featuring water facts and conservation tips. We were also joined at the booth by Dublin San Ramon Services District.

Rancho Las Positas Elementary School Family Science Night
Wednesday, September 17 | 5:00 p.m.-7:30 p.m. | Rancho Las Positas Elementary School, Livermore
Zone 7 participated in Rancho Elementary's family-focused event. Students and their parents explored our watershed through the interactive floodplain model, learned about our schools program and available rebates, and took home giveaways.

Sunset Elementary School Family Science Night
Thursday, September 25 | 5:00 p.m.-7:00 p.m. | Sunset Elementary School, Livermore
Over 250 students and parents explored the watershed through the interactive floodplain model at this popular annual event. They also learned about our schools program, available rebates, and received giveaways.

Quest Science Center Engineering!
Saturday, October 4 | 10:00 a.m.-1:00 p.m. | Quest Plaza at Stockmen's Park, 29 S. Livermore Ave.
Zone 7 joined other local groups for a hands-on science event focused on engineering. Families tested which substances made the most effective water filters, sparking conversations about how Zone 7 treats and delivers clean drinking water.

Las Positas College Earth Science Week
Tuesday, October 14 | *10:00 a.m.-2:00 p.m.* | *Las Positas College campus, Livermore*
Zone 7 will host a booth in the quad during the college's Earth Science Week. This event will provide an opportunity to engage with students, share who Zone 7 is, and highlight the Agency's role in serving the community.

Smith Elementary School Family Science Night
Friday, March 20 | *4:00 p.m.-6:00 p.m.* | *Smith Elementary School, Livermore*
Zone 7 will participate in Smith Elementary's interactive Family Science Night. The event will provide an opportunity to engage with students and their families through hands-on activities and conversations about water.

For the most up-to-date schedule of public events, please visit www.zone7water.com/calendar.

ATTACHMENTS:

- Mocho PFAS Treatment Plant Meeting 1 Outreach Summary
- September Social Media Dashboard
- September Website Dashboard

ZONE 7 WATER AGENCY

Delivering Quality, Reliability and Safety

MOCHO PFAS TREATMENT PLANT - MEETING ONE OUTREACH SUMMARY

The communication team supported the engineering project team with outreach and materials for the first community engagement meeting for the planned **Mocho PFAS Treatment Plant**. The outreach effort helped communicate key project highlights for the project designed to remove **per- and polyfluoroalkyl substances (PFAS)**, commonly known as "forever chemicals," from local drinking water sources. Outreach efforts targeted the local community in the neighborhood where the facility is planned - a location near Stoneridge Drive and Santa Rita Road in Pleasanton. This effort underscores Zone 7's commitment to delivering safe, reliable, efficient, and sustainable water for the community.

100 North Canyons Parkway, Livermore, CA 94551 | (925) 454-5000

zone7water.com

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OBJECTIVES

The primary objective of the **Community Open House** (held Monday, September 22, 2025, 5:30 – 7 p.m. at 5997 Parkside Drive) was to formally introduce the Mocho PFAS Treatment Plant to the neighbors adjacent to the project site.

Key goals for the event included:

- **Education:** Provide detailed information on the facility's purpose, the nature of PFAS contaminants, and the need for the treatment system.
- **Transparency:** Communicate the project's scope, location, and timeline.
- **Engagement:** Offer a direct, in-person forum for the public to meet **Zone 7 staff** and project team members to ask questions, share concerns, and gain insight into Zone 7's commitment to water quality and safety.
- **Reliability:** Reaffirm the project's role as part of Zone 7's commitment to making important improvements to the water supply system.

SUMMARY OF EFFORTS

Outreach involved a multi-channel strategy executed prior to and during the event to ensure clear communication and transparency.

Effort	Channel Format	Details
Website landing page	Digital Resource	A dedicated web page at zone7water.com/mocho-wellfield was created to serve as the central source of project information to be updated throughout the project
Postcard delivery	Direct Mail	A postcard was distributed to 890 local neighborhood homeowners, residents, and businesses near the project site to announce the Open House date, time, and location.
Display boards	Meeting Materials	Visual boards were developed to clearly outline the project's purpose, facility renderings, treatment process, and available options for viewing at the in-person meeting.
Handout	Meeting Materials	A detailed printed handout was made available to all attendees, summarizing project details and timeline, with detailed PFAS information and Ion Exchange infographic.

RESULTS

The event provided a valuable, open forum for dialogue with the project team, ensuring transparency from the outset. The meeting was primarily attended by design-build contractors interested in learning more about the project and meeting the team. For additional project outreach and to increase project awareness, a project information table will be set up at the Zone 7 Flood Open House on October 18, where display boards of the conceptual renderings and the project scope will be on display, and project informational handouts will be made available.

On the following pages, we have included samples of assets and links to where you can view materials used as part of this effort.

Website Landing Page

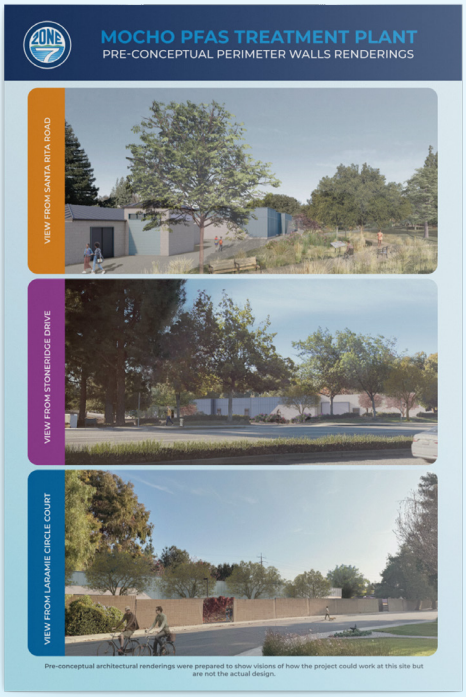
View

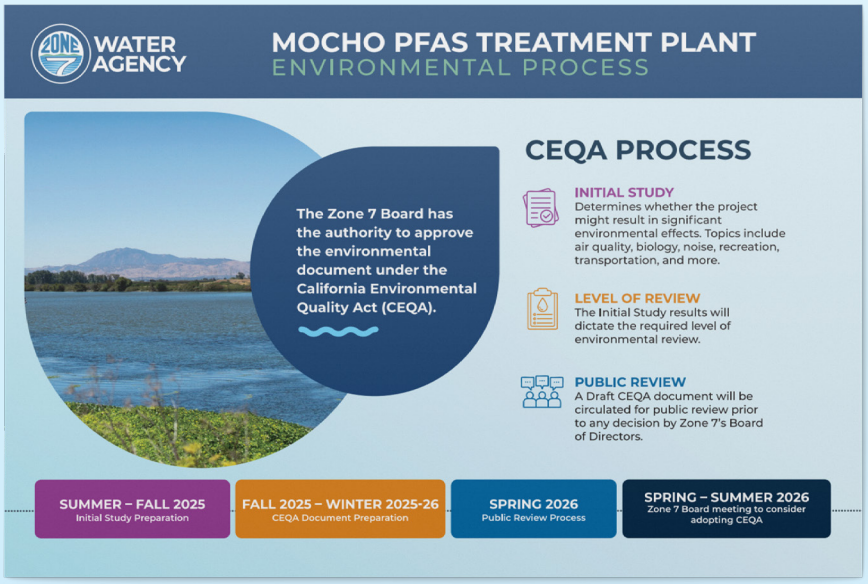
Postcard Delivery

Download

Display Boards

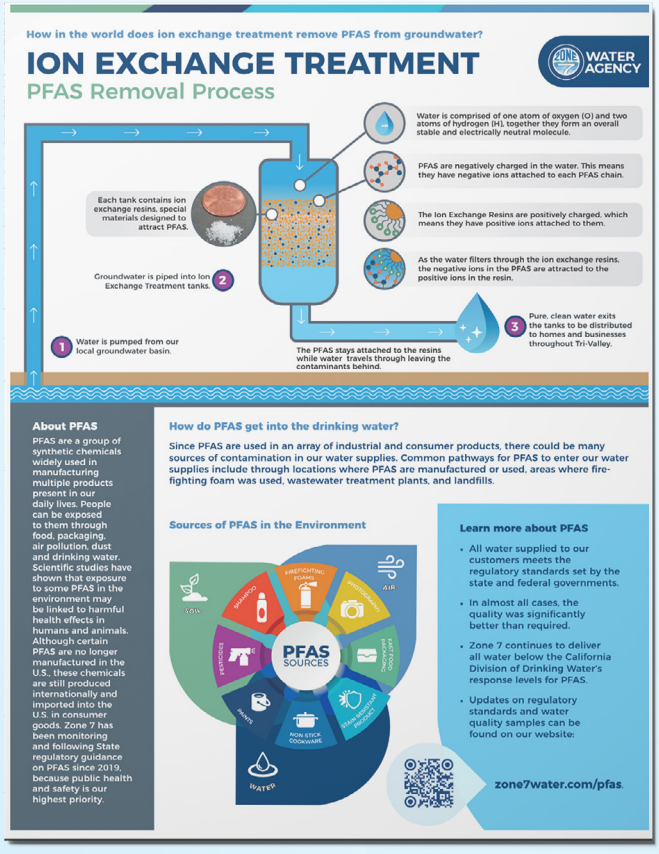
Download





Download

Handout



Download

Social Media Insights

01 Sep 25 - 30 Sep 25

Zone 7 Water Agency

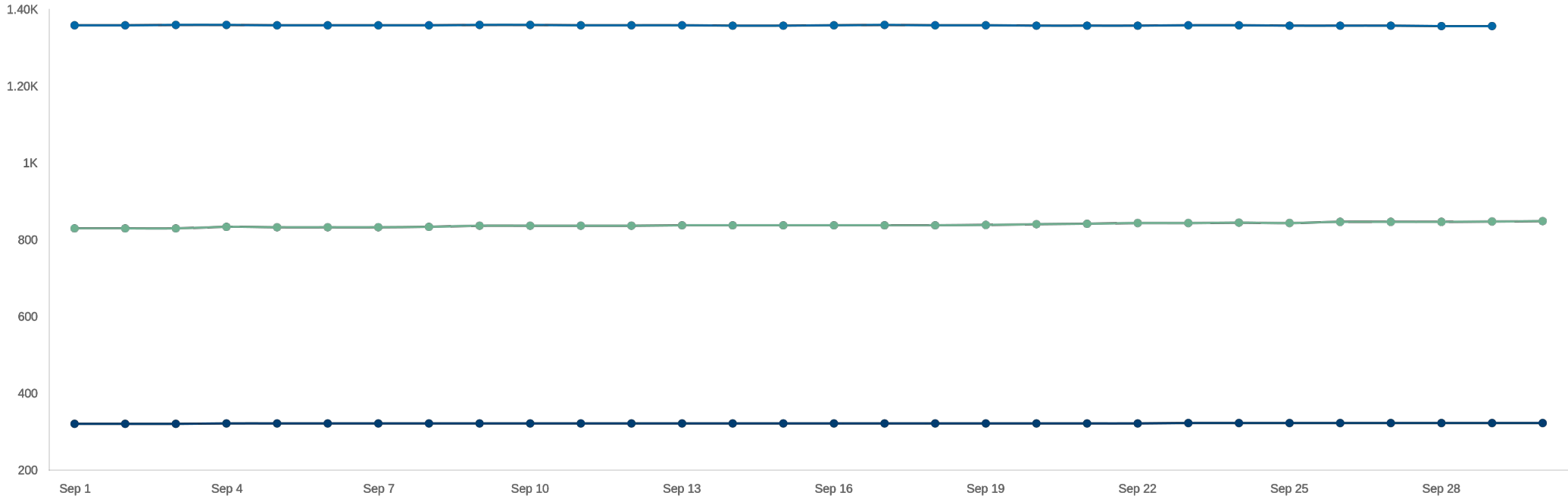
- Zone 7 Water Agency
- Zone 7 Water Agency
- Zone 7 Water Agency
- Zone 7 Official

Followers

2529
+0.76%

Zone 7 Water Agency

1357	849	323
-0.15%	+2.29%	+0.62%
Facebook	Linkedin	Youtube



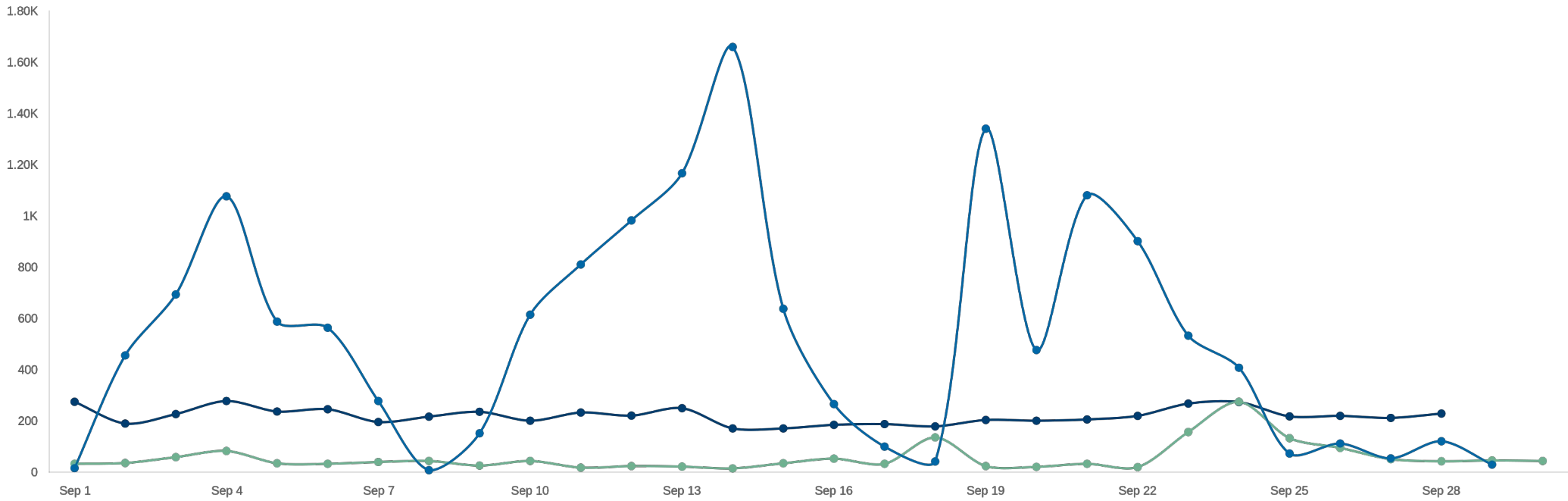
Sep 1 - Sep 30

Impressions

23.11K
+14.19%

Zone 7 Water Agency

15.25K	1711	6153
+36.55%	-42.76%	+1.13%
Facebook	Linkedin	Youtube



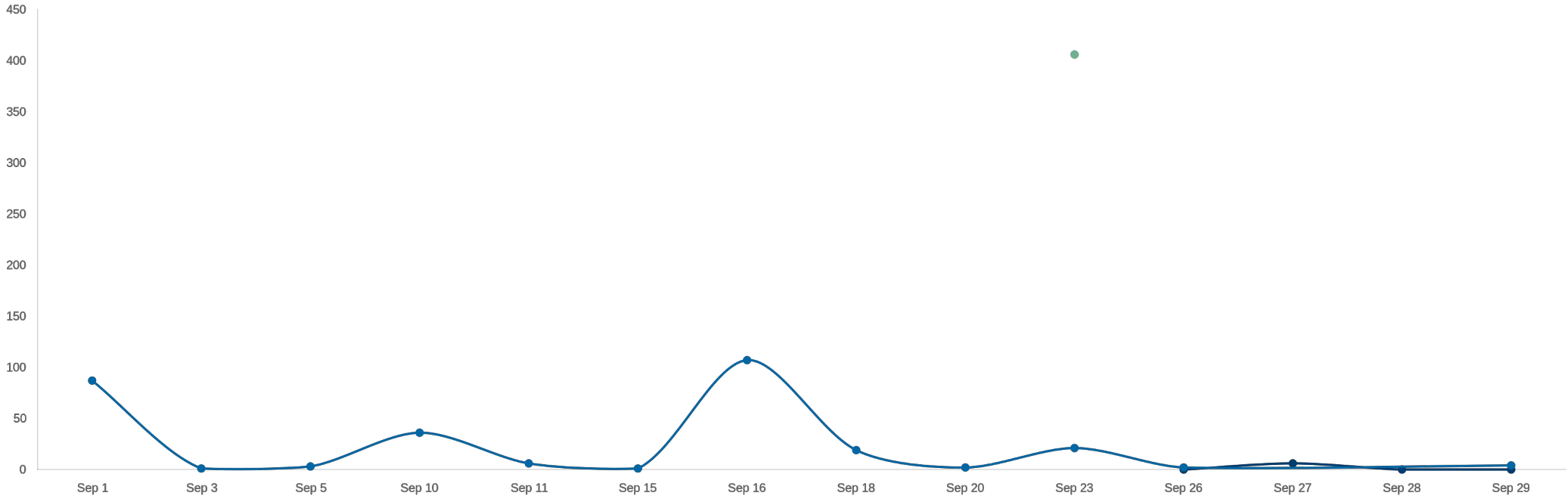
Sep 1 - Sep 30

Interactions

Zone 7 Water Agency

289	406	6
+95.27%	-53.86%	
Facebook	Linkedin	Youtube

701
-31.81%



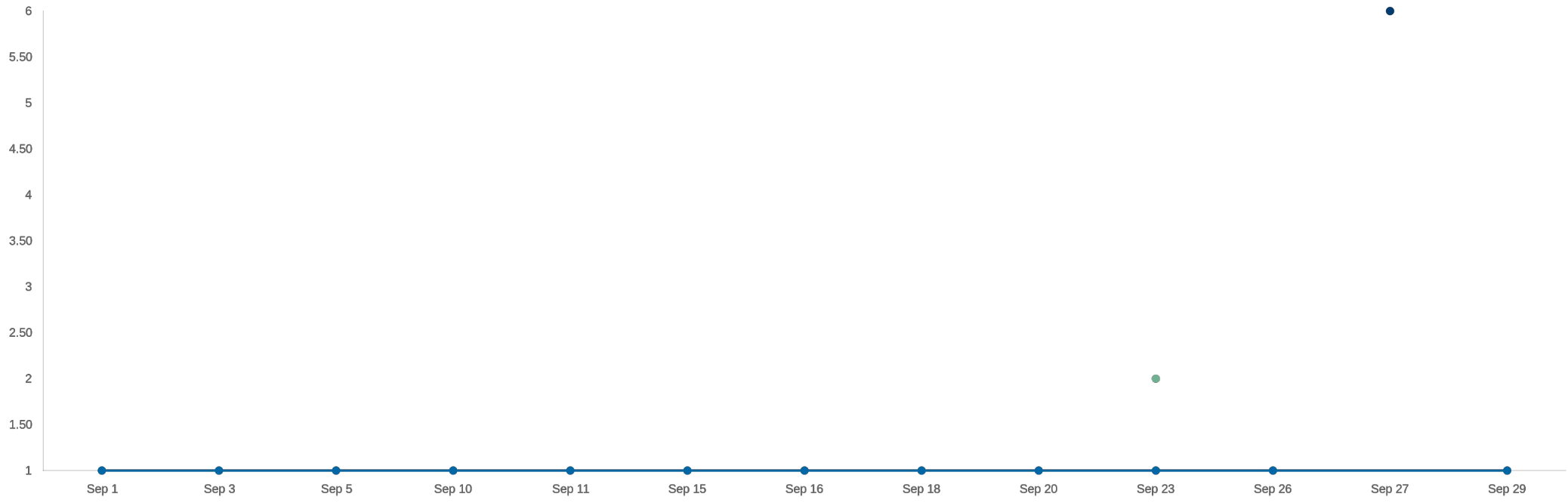
Sep 1 - Sep 30

Posts

Zone 7 Water Agency

20
-4.76%

12	2	6
-14.29%	-71.43%	
Facebook	Linkedin	Youtube



Sep 1 - Sep 30

Ranking of posts

Zone 7 Water Agency

Showing 20 posts sorted by impressions

Published		Text			Impressions	Interactions
Sep 01, 2025 16:50		Did you know Zone 7 Water Agency partners with Living Arroyos to protect our local streams and river...	Go		3379	87
Sep 10, 2025 17:36		Are you ready to save BIG!? 🤑 We're increasing our rebate amounts starting October 1st to help you ...	Go		2915	36
Sep 16, 2025 17:21		Get ready for some serious fun! 🎉 Flood Preparedness Week is almost here (October 18 - 25 to be exa...	Go		2529	107
Sep 18, 2025 14:34		ICYMI: Higher rebate rates are coming on October 1st! 🤑 Zone 7 wants to help you save more water an...	Go		988	19
Sep 23, 2025 16:18		Opportunity is knocking! Zone 7 Water Agency is now hiring for Water Plant Operator II. Operate, ma...	Go		463	171
Sep 23, 2025 17:34		Get ready to celebrate with us! 🎉 We're kicking off Flood Preparedness Week (October 18-25) at our ...	Go		269	235

Published		Text			Impressions	Interactions
Sep 23, 2025 17:34		Get ready to celebrate with us! 🎉 We're kicking off Flood Preparedness Week (October 18-25) at our ...	Go		167	21
Sep 05, 2025 17:31		Calling all teachers in the Tri-Valley! 🏫🚌 The Zone 7 Water Academy is back for the 2025 school y...	Go		70	3
Sep 03, 2025 16:49		Have you signed up for one of the site cleanups on Coastal Cleanup Day? If you haven't, you're in lu...	Go		47	1
Sep 11, 2025 16:28		📅 Mark your calendars! 💧 Next month, we're kicking off Flood Preparedness Week (Oct. 18-25) with ...	Go		43	6
Sep 20, 2025 17:05		DYK in partnership with Living Arroyos during the FY24, we removed 1,000 GALLONS of invasive weeds!?...	Go		42	2
Sep 15, 2025 14:42		Have you read the newest edition of The Latest from Zone 7?! https://mailchi.mp/zone7water/sep25-lat...	Go		39	1
Sep 29, 2025 12:52		Wow! 😀 Our Water Academy taught over 12,000 students in the Tri-Valley last year. That's over 470 s...	Go		35	4
Sep 26, 2025 17:06		DYK Zone 7 hires GOATS to prevent flooding and wildfires? 🐐🔥 It's true! Our four-legged friends re...	Go		23	2

Published		Text			Impressions	Interactions
Sep 26, 2025 18:16		Zone 7 Commercial Landscape Rebates Available! Switch Today!	Go		5	2
Sep 26, 2025 18:20		Zone 7 High-Efficiency Washer Rebate	Go		4	1
Sep 26, 2025 18:14		Zone 7 Pool Cover Rebate	Go		4	1
Sep 26, 2025 18:25		Zone 7 Landscape Conversion Rebate: Make the Switch!	Go		3	2
Sep 26, 2025 18:19		Zone 7 Smart Irrigation Controller Rebate: Overspray is Out!	Go		3	2
Sep 26, 2025 18:15		Zone 7 High Efficiency Washer Rebate	Go		3	2

Impressions

Zone 7 Water Agency

18.13K
+10.26%
Google Ads

18.13K
+10.26%

Sep 1 - Sep 30

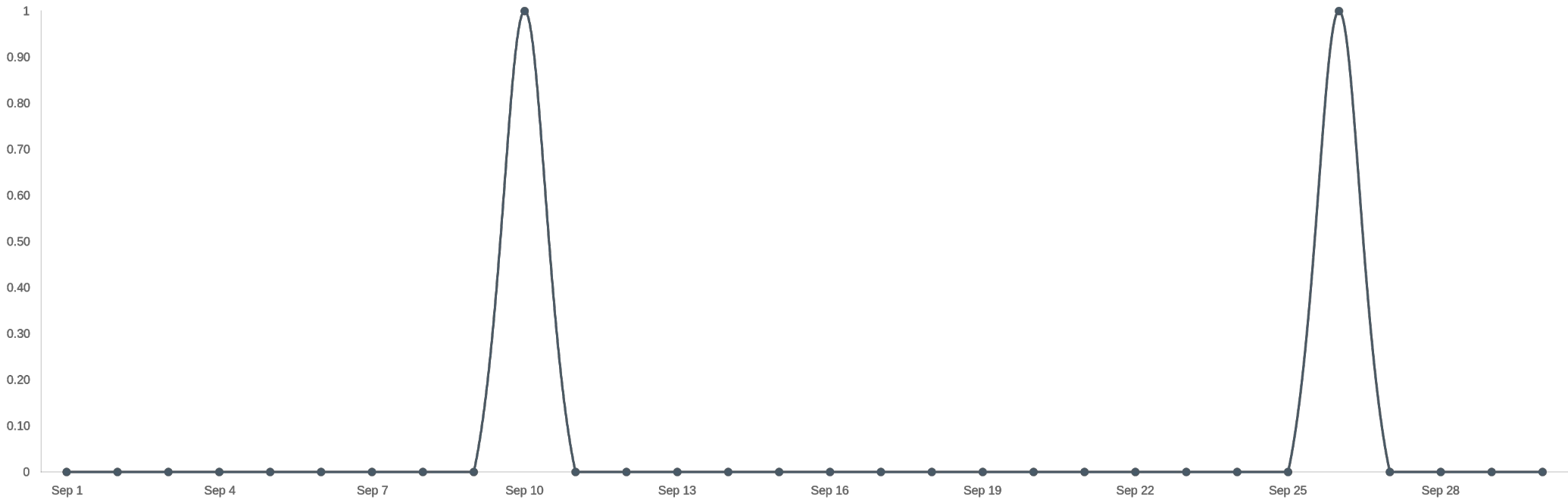
ZONE 7 WATER AGENCY

Clicks

Zone 7 Water Agency

2
-33.33%
Google Ads

2
-33.33%



Sep 1 - Sep 30

Website Analytics

Sep 1, 2025 - Sep 30, 2025

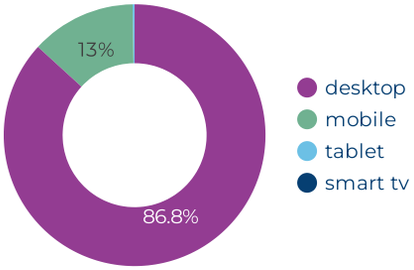
Highlights:

Total users	Views
5,231	13,626
▲ 17.6%	▲ 1.8%

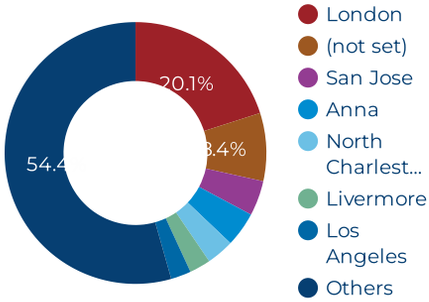
New users	Engagement rate
4,851	48.42%
▲ 18.1%	▼ -14.6%

Sessions	User engagement
8.0K	80:44:00
▲ 20.0%	▲ 11.1%

Device Type:



Users by City



Most visited pages on the website - users and pageviews

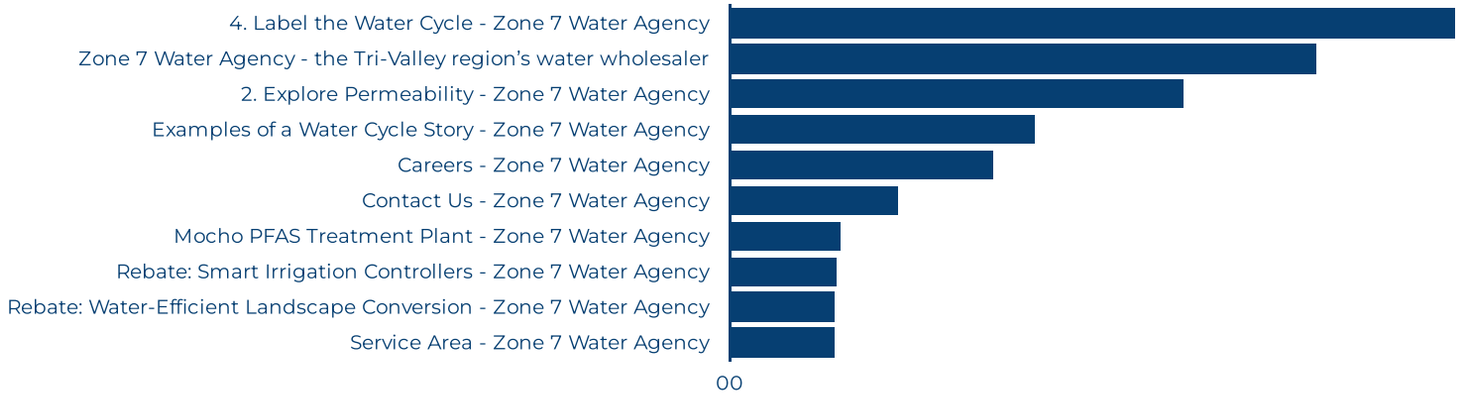
	Page title	Views ▾	Total users
1.	Zone 7 Water Agency - the Tri-Valley region's water wholesaler	2,138	1,473
2.	2. Explore Permeability - Zone 7 Water Agency	914	416
3.	Page not found - Zone 7 Water Agency	764	249
4.	Careers - Zone 7 Water Agency	742	449
5.	Contact Us - Zone 7 Water Agency	740	617
6.	4. Label the Water Cycle - Zone 7 Water Agency	609	500
7.	Board Meetings - Zone 7 Water Agency	343	192
8.	Rebate Programs - Zone 7 Water Agency	326	133
9.	Construction & Business Opportunities - Zone 7 Water Agency	291	161
10.	Examples of a Water Cycle Story - Zone 7 Water Agency	285	231
11.	Service Area - Zone 7 Water Agency	204	148

Acquisition source/medium - where traffic sessions come from

	Session source	Session medium	Sessions ▾
1.	(direct)	(none)	3,764
2.	google	organic	2,721
3.	bing	organic	369
4.	view.genially.com	referral	150
5.	cityofpleasantonca.gov	referral	84
6.	Mailchimp	eNewsletter	60
7.	FB	AD	56
8.	dsrsd.com	referral	55
9.	governmentjobs.com	referral	54
10.	yahoo	organic	47

1 - 95 / 95

Pages with the most time spent by users

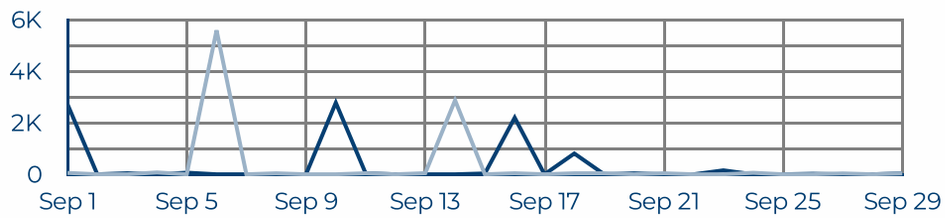


Shared Media | September 2025

Facebook Analytics

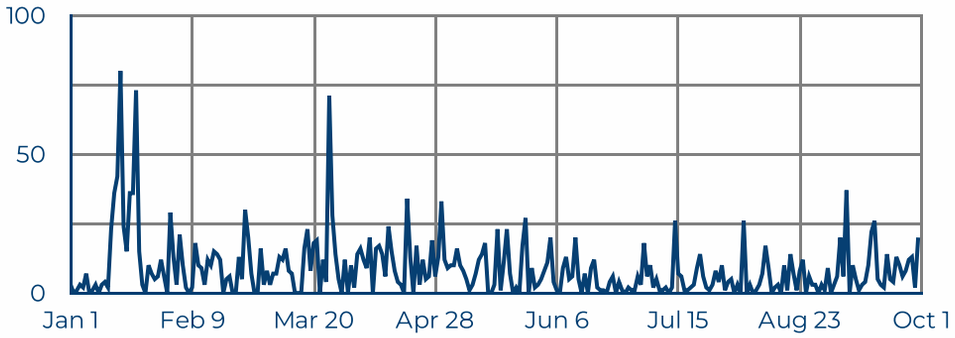
Total Posts	Engagement	Page Followers	Impressions
12	77.38	1,357	15,346
-14.3%	11.9%	-0.1%	37.4%

Facebook Daily Average Reach per Post

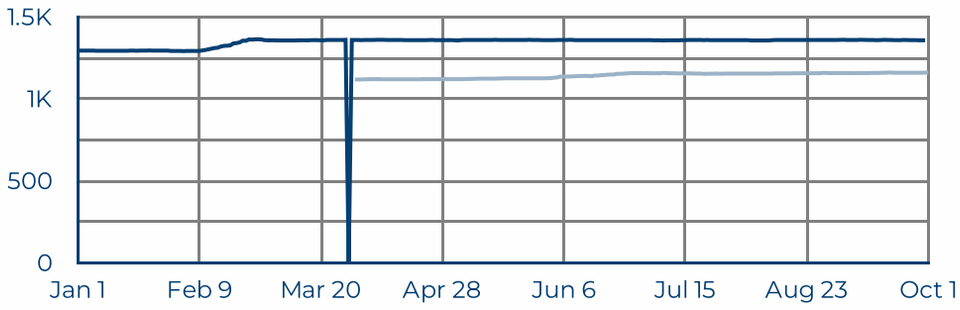


Paid Reach	Organic Reach	Total Reach
8,155	815	8,922
-2.0%	-49.5%	-0.9%

Facebook Page Visits



Facebook Page Followers - Year-to-Date Growth



Mailchimp Delivery Analytics

Total Eblasts Sent
2

Total Deliveries
1,761

Avg. Open Rate %
43.9%

Total Clicks
245

New Signups
3

Monthly YouTube Performance

Total Views
6,585

Watch Time (Minutes)
10,125.51

Average View Duration
00:01:22

Top Five Videos of Month

Video Title	Views
Wondrous World of Water – Ion Exchange PFAS Treatment	5,638
Groundwater Recharge - Wondrous World of Water	88
Test the Waters: Get in the Zone	22
Wondrous World of Water - Ozone Treatment	17
Stoneridge Well - Ion Exchange Vessel Installation	11

Insights | September 2025

Insights & Opportunities

Website Summary:
September continued the upward trend in overall traffic, though engagement patterns shifted. Sessions rose to **7.8K (+17.3%)**, while t**otal users (5,161, +16%)** and **new users (4,747, +15.5%)** both showed solid growth. However, the **engagement rate declined to 48.4% (-14.6%)**, suggesting that while more visitors are arriving, they may be browsing less deeply than in August. Key drivers included interest in interactive educational content, particularly the "Explore Permeability" page (889 views), which ranked second overall. Rebate program pages also gained visibility with pre-promotion of new higher rebate amounts.

Website Highlights:
• **Traffic Growth Maintained:** Views reached **13,443 (+0.4%)**, with sessions and users showing double-digit gains.
• **Educational Engagement:** "Explore Permeability" and "Label the Water Cycle" ranked among the top pages, highlighting ongoing demand for learning resources.
• **Rebate Relevance:** Rebate pages saw stronger traction (323 views for Rebate Programs), aligning with outreach efforts.
• **Traffic Sources:** Direct (3,686 sessions) and Google Organic (2,680 sessions) remained the top drivers, while referrals from Genially (134 sessions) an educational resource, and local city sites added diversity.

Social Media Summary:
September activity shifted toward stronger impressions but slightly fewer posts. With **12 posts (-14%)**, impressions climbed to **15,247 (+36.5%)**. Engagement per post held firm **(81.3, +17.6%)**, confirming content resonance.

Social Media Highlights:
• **Content Volume:** 12 posts maintained consistent visibility.
• **Engagement Strong:** Per-post engagement rose 17.6%, reflecting audience interest in fewer, well-targeted posts.
• **Impressions Up, Reach Flat:** Paid reach (8,155) stabilized, but organic visibility dropped significantly, showing continued reliance on paid campaigns.

Mailchimp Summary: Email performance dipped in September compared to August. With only 2 eblasts sent, overall reach and engagement were lower. **Deliveries totaled 1,761,** and while **open rates averaged 43.9%** (down from August's 51.3%), they remained strong relative to industry benchmarks. **Clicks (245)** and **new signups (3)** were more modest but still reflect ongoing subscriber activity.
• **Key Metrics:** Eblasts Sent: 2 Total Deliveries: 1,761 Average Open Rate: 43.9% Total Clicks: 245 New Signups: 3

YouTube Summary:
YouTube performance strengthened further in September, with **6,361 total views (+5%)** and watch time up to **9,782 minutes (+6.9%)**. Average view duration improved significantly **(1:21 vs. 0:38 in August)**, suggesting deeper engagement with content. The PFAS Treatment video continued to dominate with 5,635 views, while other videos drew modest but consistent interest.

YouTube Highlights
• **Top Performer:** "Wondrous World of Water – PFAS Treatment" (5,635 views).
• **Improved Engagement:** Watch time and average duration both rose, signaling higher-quality viewing.
• **Steady Growth:** Total views and minutes watched continued building on August's surge.

Opportunities for October 2025
1. Highlight Interactive Learning Content: Build on the strong response to "Explore Permeability" and other educational resources by developing more interactive features (quizzes, animations, downloadable activities) to engage students and families during the school year.
2. Turn Increased Traffic Into Conversions: With traffic and new users on the rise, September is an ideal time to guide visitors toward deeper actions — such as signing up for e-newsletters, exploring rebate programs, or registering for events. Add clear calls-to-action (CTAs) across top-performing pages to capture and convert new interest.
3. Re-engage Video Strategy: The new conservation rebate campaign and Flood Open House offer new opportunities to boost videos so we expect a surge in video views in October.

ZONE 7 WATER AGENCY
Delivering Quality, Reliability and Safety

100 North Canyons Parkway
Livermore, CA 94551
(925) 454-5000

ITEM NO. 14c

ORIGINATING SECTION: Integrated Planning
CONTACT: Sal Segura/Neeta Bijoor

AGENDA DATE: October 15, 2025

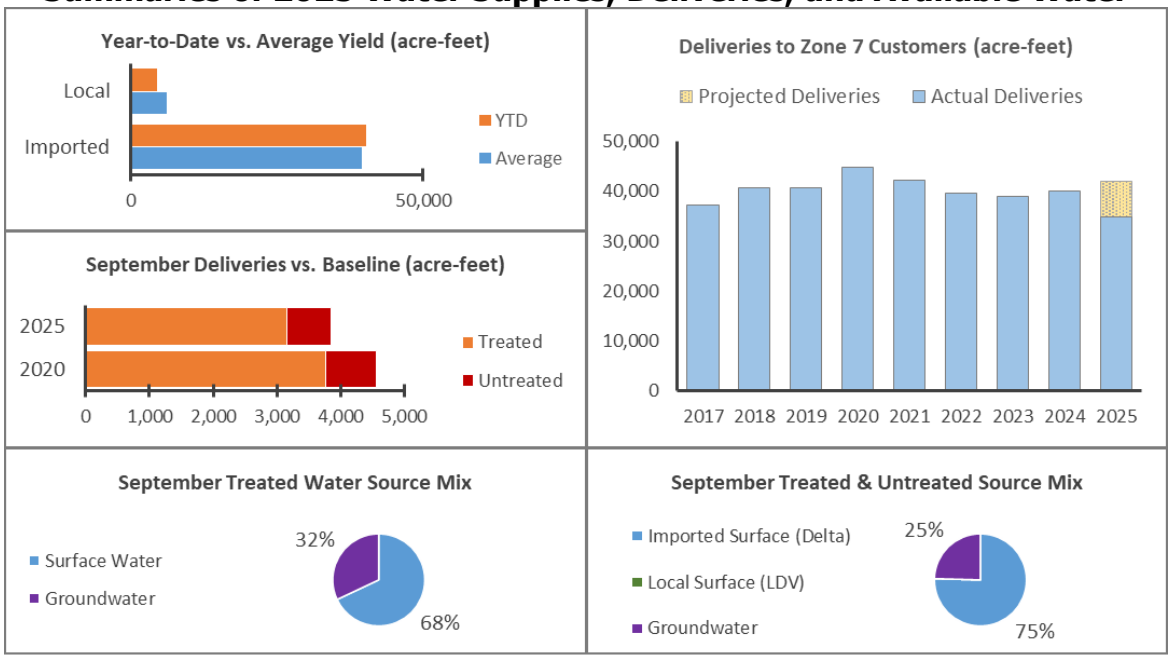
SUBJECT: Monthly Water Inventory and Water Budget Update

SUMMARY:

To support its mission to deliver safe, reliable, efficient, and sustainable water, Zone 7 Water Agency (Zone 7) manages its water supply portfolio. This report summarizes current water supply, usage, and storage conditions to support Strategic Plan Goal B – Reliable Water Supply and Infrastructure and promote Strategic Plan Initiative #5 to develop a diversified water supply plan and implement supported projects and programs.

The 2025 Annual Review of the Sustainable Water Supply Report, which discusses an overall analysis of the annual water supply, was presented to the Board on April 16. A summary of long-term water supply planning is also included in the Urban Water Management Plan (UWMP), which is updated every five years to assess water supply reliability on a 20-year time horizon. The next update of the UWMP is due on July 1, 2026. These plans and evaluations consider the various sources of supply and storage available to Zone 7 locally, in State Water Project (SWP) facilities, and in Kern County storage and recovery programs.

Summaries of 2025 Water Supplies, Deliveries, and Available Water



ZONE 7 WATER INVENTORY AND WATER BUDGET
(September 2025)

Supply and Demand *(See Table 3, Figure 1, Figure 2, Figure 3, and Figure 4)*

- Monthly totals: 4,550 acre-feet (AF) delivered to customers (3,850 AF treated production and 700 AF estimated untreated deliveries).
- Total treated water production decreased by 10% compared to last month.
- Treated water sources were 68% surface water and 32% groundwater this month.
    - Treatment plant production was 28.3 million gallons per day (MGD).
    - Wellfield production was 13.5 MGD.

Comparison of Demands: 2025 vs 2020 baseline *(See Table 1)*

- In September 2025, Zone 7's overall water demands were similar to those in September 2020: treated water production was 2% higher, and estimated untreated deliveries were 11% lower.

Table 1: September 2025 comparison – Treated and Untreated Demands

	Treated Production	Untreated Delivery	Total
September 2025 (AF)	3,850	700	4,550
September 2020 (AF)	3,770	790	4,560
September 2025 vs September 2020	2% higher	11% lower	0% difference

Imported Water *(See Table 2 and Table 3)*

- The State Water Project (SWP) allocation remains at 50%, which amounts to 40,310 AF for Zone 7. Zone 7 has 26,950 AF of its 2025 Table A water allocation remaining.

Table 2: Available Water Supplies (as of October 1, 2025)

Sources of Water Supplies	Acre-Feet (AF)
Table A	26,950
Water Transfers/ Exchanges	0
SWP Carryover Water	0
Lake Del Valle (Carryover + New Yield)	5,200
Livermore Valley Groundwater Basin (AF above Minimum Thresholds)	124,000
Kern Storage and Recovery Programs	101,900
Total	**258,050**

Groundwater *(See Table 3 and Figure 5)*

- The Livermore Valley Groundwater Basin comprises four subbasins. The Basin's estimated maximum storage capacity is 254,000 AF, including the storage capacity below the Minimum Thresholds established in the Alternative Groundwater Sustainability Plan. The estimated storage capacity above the Minimum Thresholds (operational storage) is 126,000 AF.
- The Basin storage has peaked and is approximately 98% of operational storage capacity.
- It is important to note that not all the storage above the Minimum Thresholds is accessible with Zone 7's existing wells, as 80% of Zone 7's groundwater facilities are in the Amador West subbasin. Furthermore, the presence of Per- and polyfluoroalkyl substances (PFAS) compounds in the groundwater basin has limited the use of some wells.
- In September, the total pumping from Zone 7's wellfields was approximately 1,240 AF, making up 32% of the treated supply.
- Estimated groundwater basin outflow on the west side of the Basin is 7 AF in September. This groundwater spills into Arroyo De La Laguna due to a high groundwater level near the arroyo.
- In September, Zone 7 released 500 AF to artificially recharge Arroyo Valle and maintain a live stream as required by the water rights.

Stream Outflow *(See Table 3)*

- Surface runoff did not exceed the 10 cubic feet per second (CFS) baseflow at Arroyo De La Laguna at the Verona stream gauge in September.
- Note: Some surface outflow from the Livermore-Amador Valley is mandated for other downstream purposes.

Local Precipitation *(See Figure 7)*

- 0.13 inches of precipitation was recorded at Livermore Airport in September.
- At the end of Water Year 2025 on September 30, Livermore received 10.41 inches of rain or 72% of the average.

Sierra Precipitation *(See Figure 8)*

- 0.8 inches of precipitation was recorded in the Northern Sierras in September. Historical average precipitation in September is 0.5 inches.
- September 30 is the last day of Water Year 2025. Water Year 2026 commences on October 1, 2025 and ends September 30, 2026.
- Cumulative precipitation in the Northern Sierra for Water Year 2025 is 56.6 inches, or 106% of the average.

Sierra Snowpack *(See Figure 9)*

- As of mid-June, DWR stopped reporting on snowpack. It is anticipated that DWR will resume snowpack reporting around December 2025, pending storm activity.

Lake Oroville *(See Figure 10)*

- As of September 30, 2025, Lake Oroville storage is 60% of total capacity, representing 108% of average storage conditions for this date of the year.
    - Storage: 2,060,586 AF
    - Storage as a percentage of total capacity decreased by 7% over the month of September.

San Luis Reservoir *(See Figure 11)*

- San Luis Reservoir is a joint-use facility between the State Water Project and the Central Valley Project. Its total storage capacity is 2,041,000 AF, and the SWP's share of the total capacity is 1,062,180 AF. As of September 29, 2025, the total reservoir storage is 1,070,010 AF, of which approximately 811,000 AF belongs to SWP. Currently, the SWP's share of the reservoir capacity is 76% full.

Lake Del Valle *(See Table 3 and Figure 6)*

- Lake Del Valle holds 37,350 AF as of October 1, 2025.
- Zone 7's estimated water storage in Lake Del Valle at the end of September is approximately 5,200 AF.

NOTE: Numbers presented are estimated and subject to refinement over the course of the year.

Table 3: Water Inventory

Water Inventory for Zone 7 Water Agency

Note: Values are rounded. All units in AF unless noted otherwise. Subject to adjustment over the year.

	2024 *Jan-Dec*	2025 *Sep*	2025 - YTD *Jan-Dec*
Source			
Incoming Supplies			
State Water Project (SWP) - Table A	23,140	3,810	13,360
State Water Project - Article 21	0	0	0
Lake Del Valle Local Water	5,290	0	7,790
Water Transfers/Exchanges	0	0	0
Subtotal	**28,430**	**3,810**	**21,150**
From Storage			
State Water Project - Carryover	25,240	0	9,170
Livermore Valley Groundwater Basin	3,580	1,240	4,520
Kern Storage and Recovery Programs	0	0	0
Subtotal	**28,820**	**1,240**	**13,690**
Total Supply	**57,250**	**5,050**	**34,840**
Water Use			
Customer Deliveries			
Treated Water Demand [1]	35,440	3,850	28,120
Untreated Water Demand	4,380	700	4,040
Subtotal	**39,820**	**4,550**	**32,160**
To Storage			
Livermore Valley Groundwater Basin Recharge	6,180	500	2,680
Kern Storage and Recovery Programs	10,000	0	0
Subtotal	**16,180**	**500**	**2,680**
SWP Transfer			
Napa County Repayment[2]	**1,250**	**0**	**0**
Total Water Use	**57,250**	**5,050**	**34,840**
Available Water Supplies			
Incoming Supplies	**End-of-2024**		
SWP - Table A (%)	40%	50%	50%
SWP - Table A Remaining	0	26,950	26,950
Water Transfers/Exchanges	0	0	0
Subtotal	**0**	**26,950**	**26,950**
Storage Balance	**End-of-2024**		
SWP Carryover	9,170	0	0
Lake Del Valle Local Water	8,550	5,200	5,200
Livermore Valley Groundwater Basin [3]	124,000	124,000	124,000
Kern Storage and Recovery Programs	101,900	101,900	101,900
Subtotal	**243,620**	**231,100**	**231,100**
Total Available Water	**243,620**	**258,050**	**258,050**
Watershed Conditions	**End-of-2024**		
Precipitation at Livermore Station (in)[4]	16.1	0.13	6.00
Lake Del Valle Local Water Net Yield	9,290	0	4,580
Measured Change in Groundwater Basin Storage	0	-2,100	0
Surface Water Outflow [5]	43,910	0	11,620

[1] Includes a small amount of unaccounted-for water.

[2] In 2024, Zone 7 repaid Napa County for a water exchange agreement executed in 2020.

[3] Storage volume is based on most recent groundwater level data; amount shown excludes 128,000 AF of storage below the minimum thresholds.

[4] Local precipitation reported in Table 3 for 2025YTD is reported on a calendar year basis.

[5] Surface Water Outflow is estimated based on flow at USGS gage Arroyo De La Laguna at Verona.

Figure 1: Monthly Treated Water Production in Acre-Feet (AF)

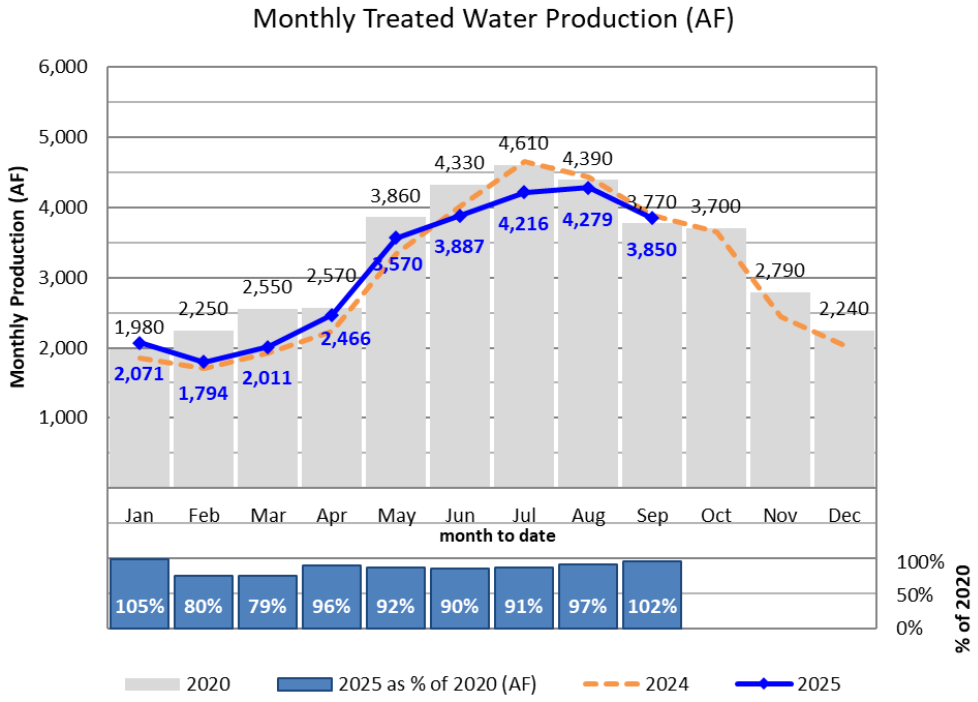


Figure 2: Monthly Treated Water Production in Average Million Gallons Per Day (MGD)

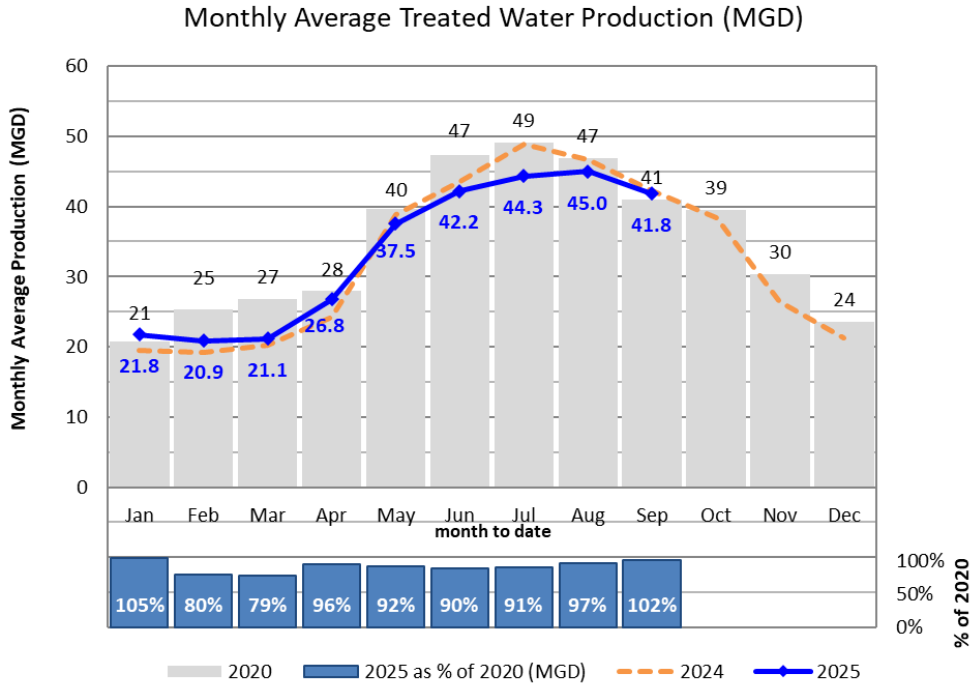
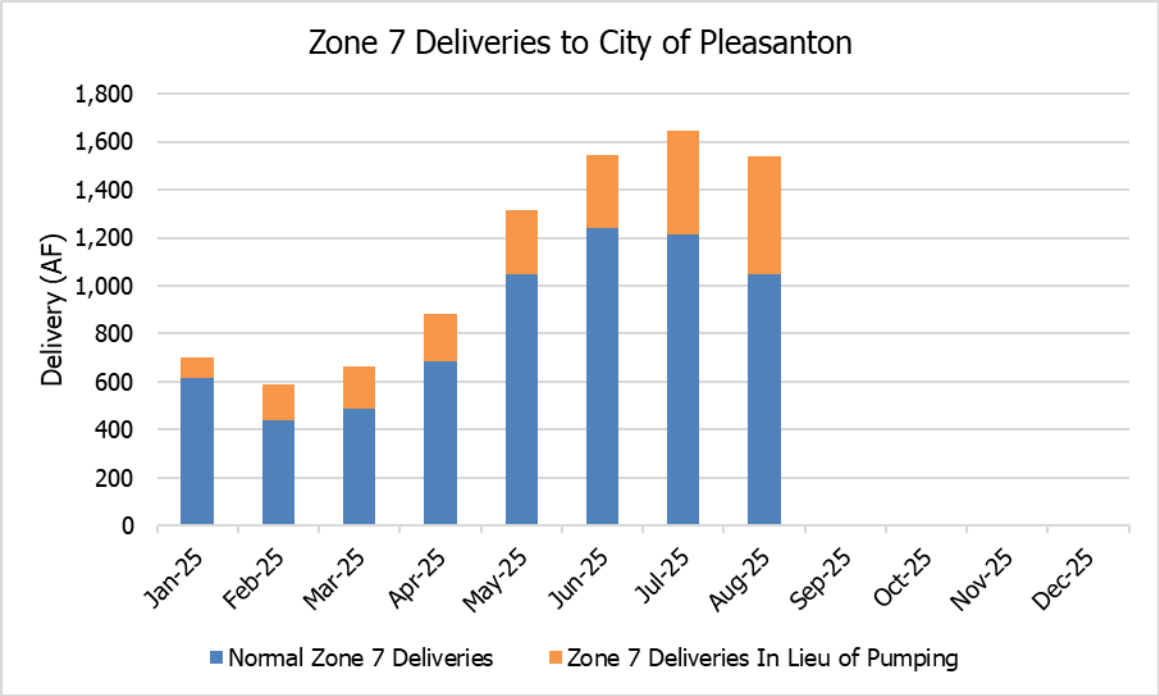
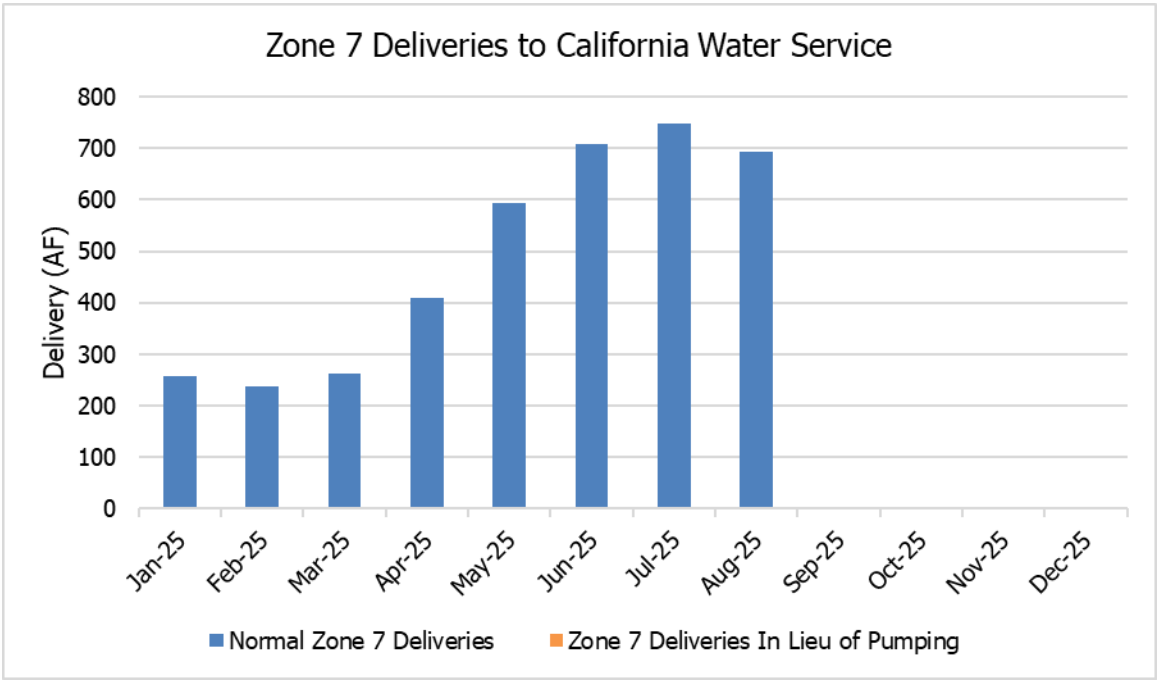


Figure 3: Pleasanton Estimated In-Lieu Demand (Based on 2018-2021 Pumping)



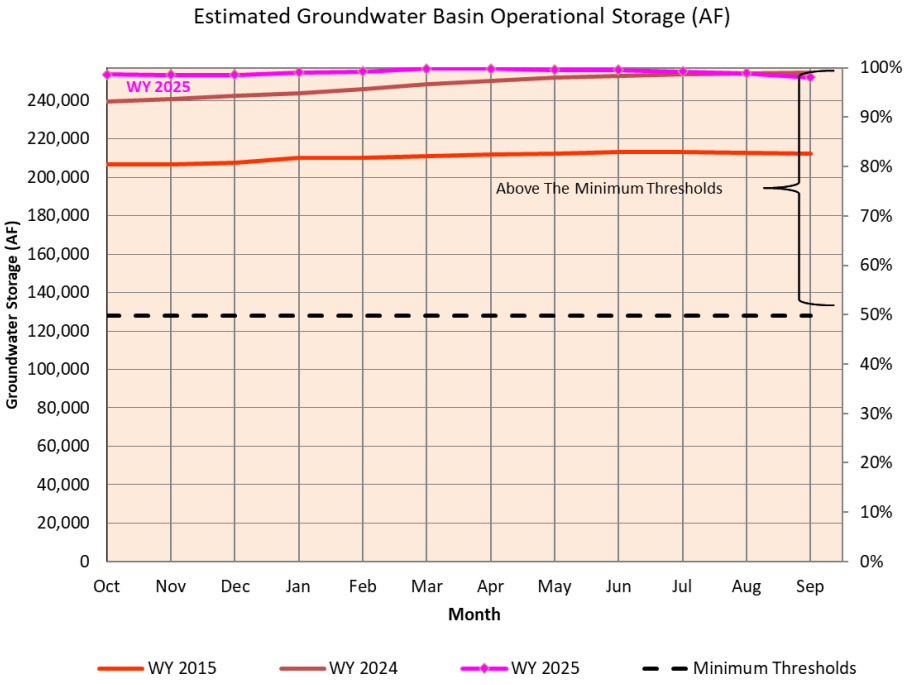
**Pleasanton's pumping data for September is not yet available and will be reflected in future inventories.*

Figure 4: California Water Service Estimated In-Lieu Demand (Based on 2018-2021 Pumping)



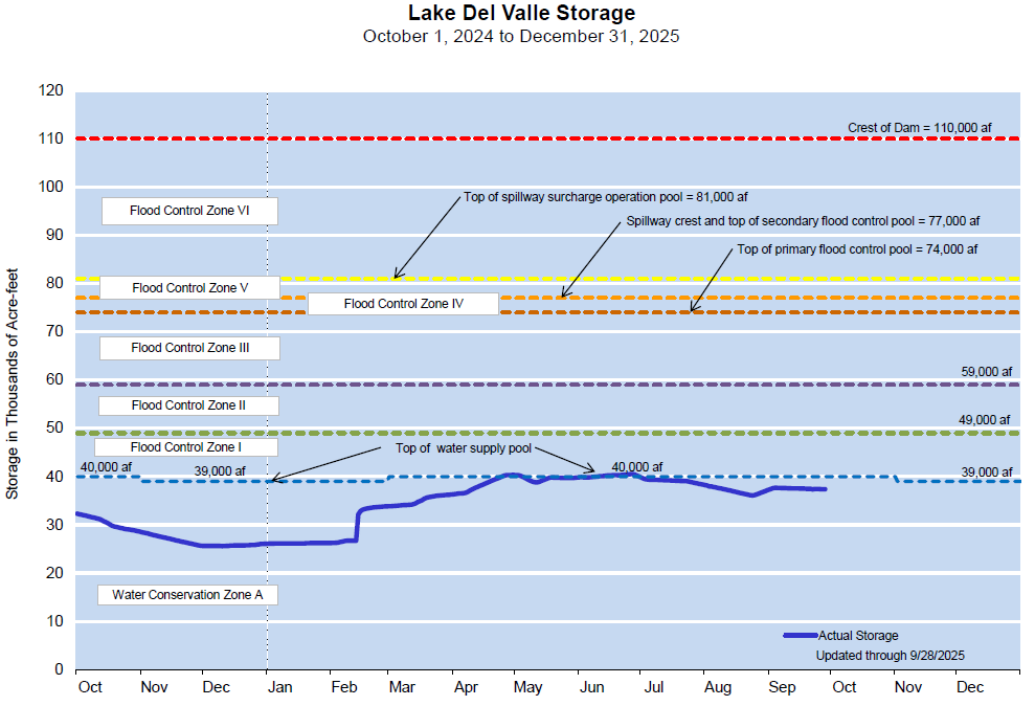
**Cal Water's pumping data for September is not yet available and will be reflected in future inventories.*

Figure 5: Livermore Valley Groundwater Basin Storage*



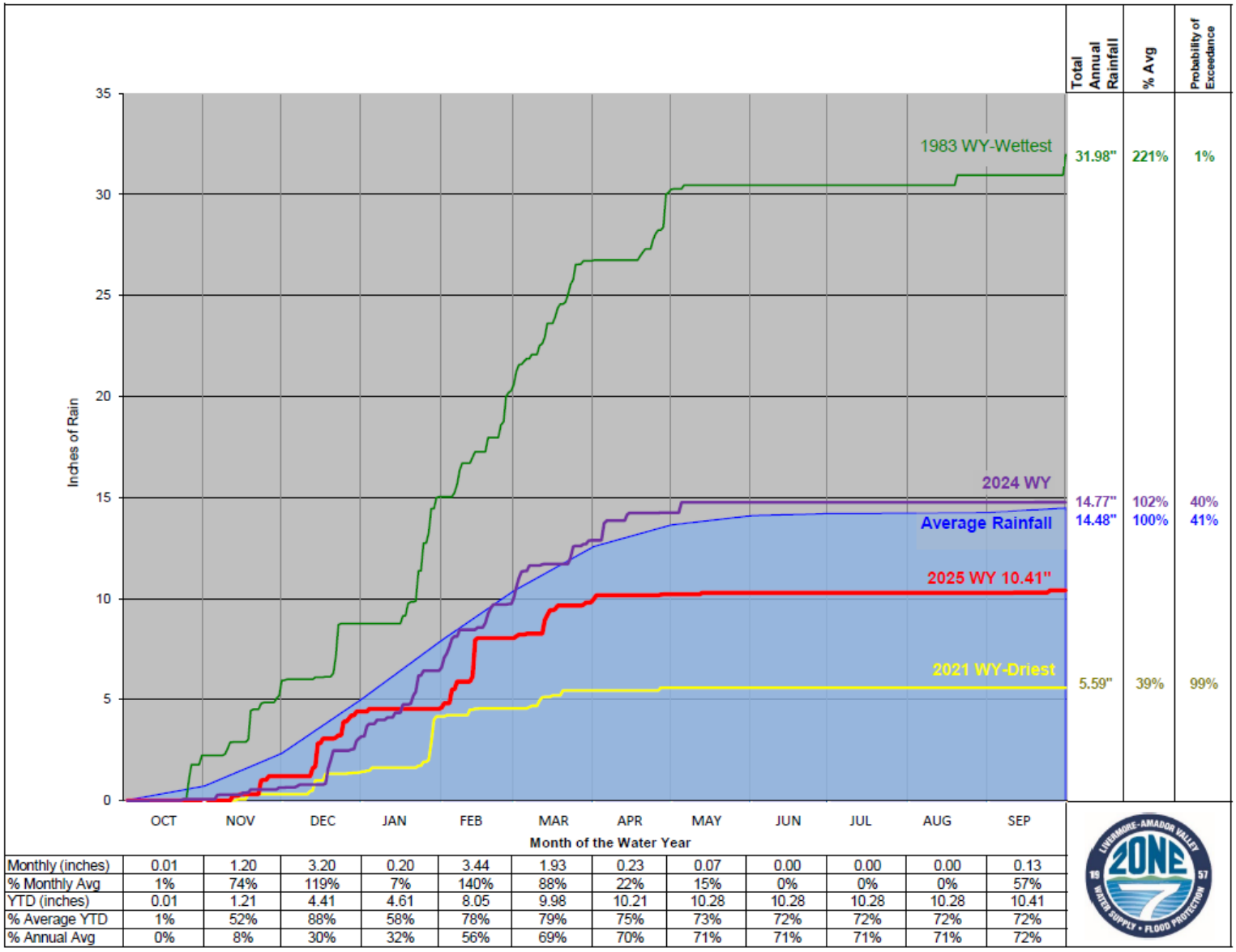
**The estimated groundwater basin storage represents the combined total storage from all four subbasins.*

Figure 6: Lake Del Valle Storage



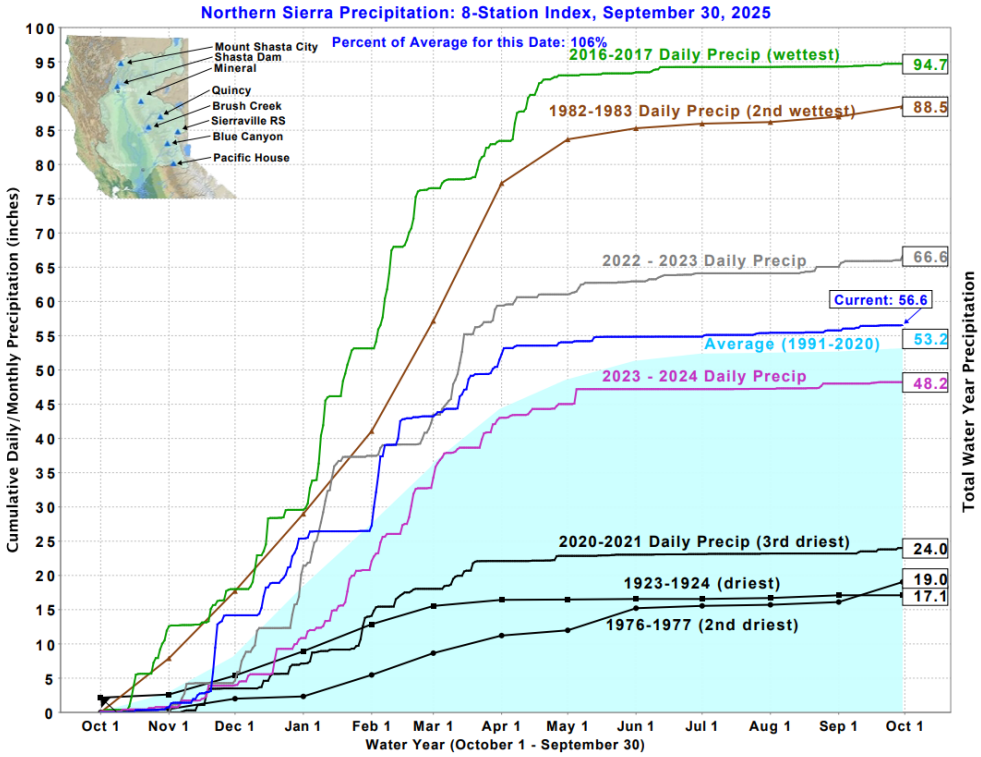
Source: https://water.ca.gov/-/media/DWR-Website/

Figure 7: Local Precipitation



	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Monthly (inches)	0.01	1.20	3.20	0.20	3.44	1.93	0.23	0.07	0.00	0.00	0.00	0.13
% Monthly Avg	1%	74%	119%	7%	140%	88%	22%	15%	0%	0%	0%	57%
YTD (inches)	0.01	1.21	4.41	4.61	8.05	9.98	10.21	10.28	10.28	10.28	10.28	10.41
% Average YTD	1%	52%	88%	58%	78%	79%	75%	73%	72%	72%	72%	72%
% Annual Avg	0%	8%	30%	32%	56%	69%	70%	71%	71%	71%	71%	72%

Figure 8: Cumulative Precipitation in the North Sierra



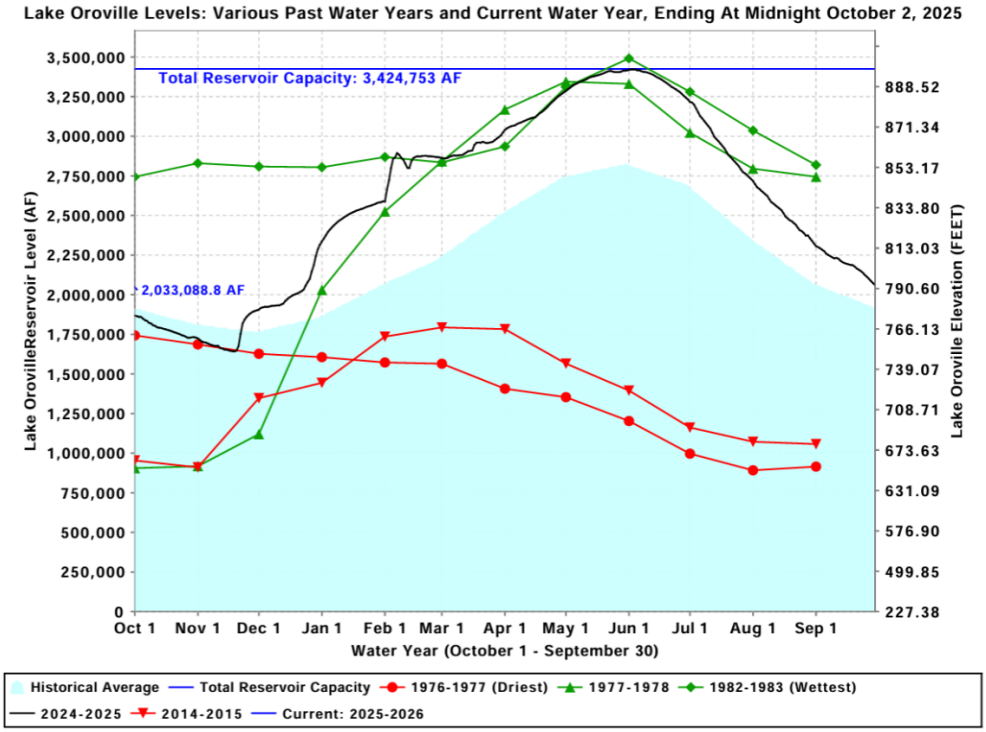
Source: http://cdec.water.ca.gov/cgi-progs/products/PLOT_ESI.pdf

Figure 9: Sierra Snowpack

DWR has stopped reporting snowpack for the season.
Snowpack reports are expected to resume in December 2025.

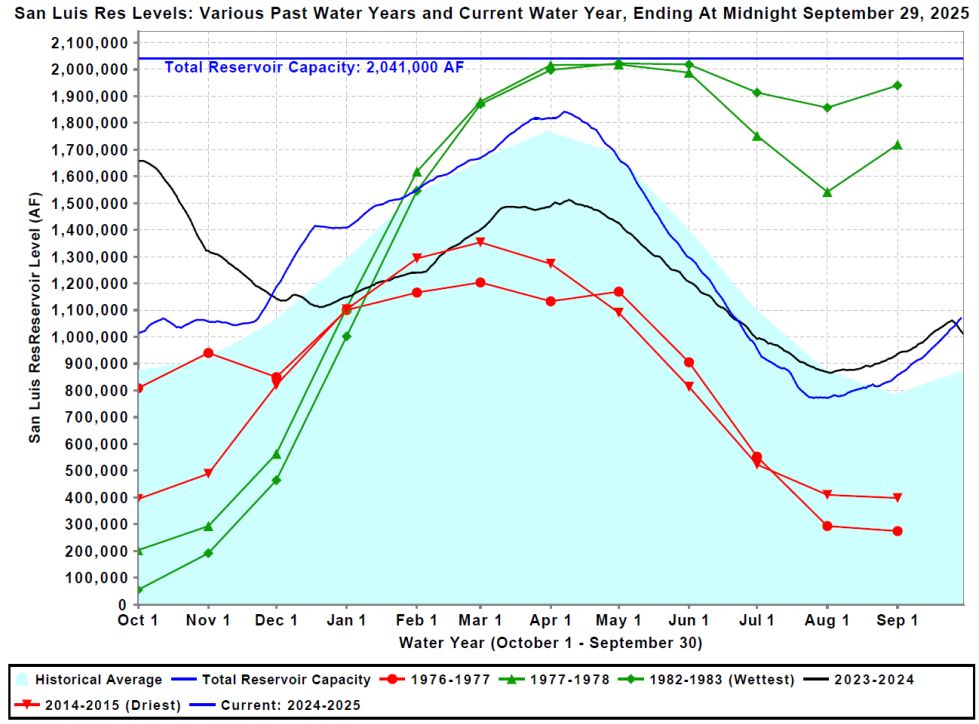
Source: https://cdec.water.ca.gov/reportapp/javareports?name=swccond.pdf

Figure 10: Lake Oroville Storage



Source: https://cdec.water.ca.gov/resapp/ResDetail.action?resid=ORO

Figure 11: San Luis Reservoir Storage



Source: https://cdec.water.ca.gov/resapp/ResDetail.action?resid=SNL

ZONE 7 WATER AGENCY
Delivering Quality, Reliability and Safety

100 North Canyons Parkway
Livermore, CA 94551
(925) 454-5000

ITEM NO. 14d

ORIGINATING SECTION: Office of the General Manager
CONTACT: Carol Mahoney/Valerie Pryor

AGENDA DATE: October 15, 2025

SUBJECT: Legislative Update

SUMMARY:

Zone 7 staff, with the support of Agency consultants, monitors legislation that is being considered in Sacramento, as well as other political activities of interest. This item supports Strategic Plan, Goal G – Stakeholder Engagement, engage our stakeholders to foster understanding of their needs, the Agency, and its function. California's Assembly, Senate, and Committees ended the first year of their two-year legislative cycle on September 12, 2025. The deadline for the Governor to sign or veto bills is October 12, 2025. The attached summarizes a list of key bills, the outcome of the legislative cycle and the Governor's actions as of October 6, 2025. The table below shows bills of interest where Zone 7 took a position. Attached are the Governor's letters associated with SB-72 and SB-454. The second session of the state legislative cycle will begin January 5, 2026.

The Federal bills listed below have yet to be considered in their respective committees, but the Federal legislative session does not end until January 2027, so no action is anticipated in the near term. In addition, staff are monitoring the recently introduced, bipartisan H.R. 5566 (Carbajal - To amend the Federal Water Pollution Control Act and the Safe Drinking Water Act to reauthorize certain programs for water infrastructure resilience and sustainability, and for other purposes) that would reauthorize funding for water infrastructure projects that address resiliency and sustainability – including drought and cybersecurity. Organizations in which Zone 7 has membership, such as the Association of California Water Agencies, have taken the lead on supporting the bill on behalf of their members. Zone 7 will consider taking individual action as the bill progresses. The letter of support from the coalition of membership organizations is attached.

Position	Bill	Zone 7 Action	Bill Status
Support	SB 72 - Water Plan Update - long-term water supply targets	Coalition letter, Signing letter	Signed, Chaptered (letter)
Support	SB 454 - State funding for PFAS remediation	Zone 7 letter	Vetoed (letter)
Support	H.R.1267 - Water Systems PFAS Liability Protection Act	Zone 7 letter	House Water Resources and Environment
Favor	H.R.1871 – federal mirroring of state tax relief on water conservation rebates	Coalition letter	House Ways and Means

FUNDING:

N/A

RECOMMENDED ACTION:

Information only.

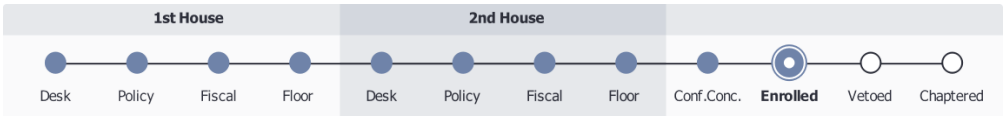
ATTACHMENTS:

- Zone 7 – Bill Tracker/Status Report
- SB 72 Signing Letter
- SB 454 Veto Letter
- H.R. 5566 Coalition Support Letter

Zone 7 Water Agency Board Report
Bills Tracked for the Board

Sorted by: Measure
Monday, 10/06/2025

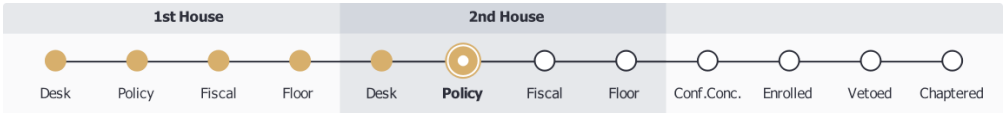
AB 93 (**Papan, D**) **Water resources: data centers.**
Current Text: 09/23/2025 - Enrollment **HTML** **PDF**
Last Amended: 09/05/2025
Status: 09/23/2025 - Enrolled and presented to the Governor at 4 p.m.



Location: 09/23/2025 - Assembly ENROLLED
Summary: Would require a person who owns or operates a data center, prior to applying to a city or a county for an initial business license, equivalent instrument, or permit, to provide its water supplier, under penalty of perjury, an estimate of the expected water use. When applying to a city or county for an initial business license, the bill would require a person who owns or operates a data center to self-certify, under penalty of perjury, on the application that the person has provided its water supplier an estimate of the expected water use. When applying to a city or county for a renewal of a business license, equivalent instrument, or permit, the bill would require a person who owns or operates a data center to self-certify, under penalty of perjury, on the application, that they have provided the data center's water supplier with a report of the annual water use. By expanding the crime of perjury, the bill would impose a state-mandated local program. The bill would authorize the Department of Water Resources, as part of any efficiency standard adopted under a specified provision of law, to identify different tiers of data centers, based on factors affecting water consumption, and appropriate standards for each data tier. (Based on 09/15/2025 text)

Position: Watch

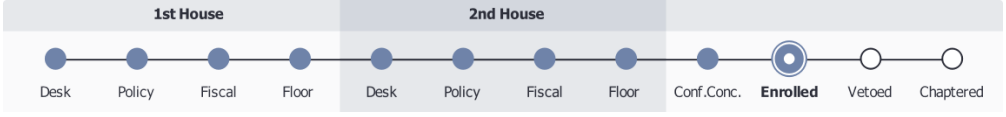
AB 942 (**Calderon, D**) **Electricity: climate credits.**
Current Text: 07/17/2025 - Amended **HTML** **PDF**
Last Amended: 07/17/2025
Status: 08/29/2025 - From committee: Do pass and re-refer to Com. on RLS. (Ayes 5. Noes 2.) (August 29). Re-referred to Com. on RLS.



Location: 08/29/2025 - Senate Rules
Summary: Current law vests the Public Utilities Commission (PUC) with regulatory authority over public utilities, including electrical corporations. Current law requires the PUC to continue a program of assistance to low-income electric and gas customers with annual household incomes that are no greater than 200% of the federal poverty guidelines, as specified, which is referred to as the California Alternate Rates for Energy (CARE) program. Current law also requires the PUC to continue a program of assistance to residential customers of the state's 3 largest electrical corporations consisting of households of 3 or more persons with total household annual gross income levels between 200% and 250% of the federal poverty guideline level, which is referred to as the Family Electric Rate Assistance (FERA) program. Current law, except as provided, requires revenues received by an electrical corporation as a result of the direct allocation of greenhouse gas allowances to be credited directly to residential, small business, and emissions-intensive trade-exposed retail customers of the electrical corporation, commonly known as the California Climate Credit. This bill would exclude residential customers from receiving the California Climate Credit if they are not enrolled in the CARE or FERA program and their total electricity bills for the previous year were less than $300. (Based on 07/17/2025 text)

Position: Neutral
Notes:
Coalition letter

AB 1373 (**Soria, D**) **Water quality: state certification.**
Current Text: 09/24/2025 - Enrollment **HTML** **PDF**
Last Amended: 08/29/2025
Status: 09/24/2025 - Enrolled and presented to the Governor at 3 p.m.



Location: 09/24/2025 - Assembly ENROLLED

Summary: Under existing law, the State Water Resources Control Board and the California regional water quality control boards prescribe waste discharge requirements in accordance with the Federal Water Pollution Control Act and the Porter-Cologne Water Quality Control Act. Under federal law, any applicant seeking a federal license or permit for an activity that may result in any discharge into the navigable waters of the United States is required to first seek a state water quality certification, as specified. The Porter-Cologne Water Quality Control Act authorizes the state board to certify or provide a statement to a federal agency, as required pursuant to federal law, that there is reasonable assurance that an activity of any person subject to the jurisdiction of the state board will not reduce water quality below applicable standards. The federal act provides that if a state fails or refuses to act on a request for this certification within a reasonable period of time, which shall not exceed one year after receipt of the request, then the state certification requirements are waived with respect to the federal application. This bill would require the state board, if requested by the applicant within 14 days of an initial draft certification being issued, to hold a public hearing at least 21 days before taking action on an application for certification for a license to operate a hydroelectric facility, as provided. The bill would, if a public hearing is requested on the draft certification, prohibit the authority to issue a certification for a license to operate a hydroelectric facility from being delegated. The bill would authorize the state board to include in its fee schedule for hydroelectric facility applicants an amount up to the reasonable costs incurred by the state board in implementing these provisions. (Based on 09/16/2025 text)

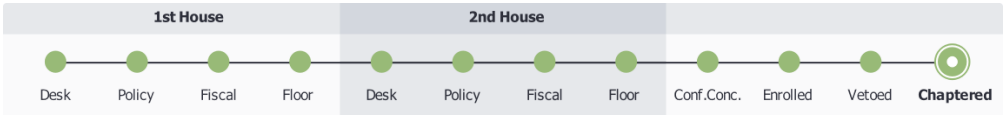
Position: Watch

SB 72 (**Caballero, D**) **The California Water Plan: long-term supply targets.**

Current Text: 10/01/2025 - Chaptered **HTML** **PDF**

Last Amended: 04/10/2025

Status: 10/01/2025 - Chaptered by Secretary of State - Chapter 210, Statutes of 2025



Location: 10/01/2025 - Senate CHAPTERED

Summary: Current law requires the Department of Water Resources to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as “The California Water Plan.” Current law requires the department to include a discussion of various strategies in the plan update, including, but not limited to, strategies relating to the development of new water storage facilities, water conservation, water recycling, desalination, conjunctive use, and water transfers, that may be pursued in order to meet the future needs of the state. Current law requires the department to establish an advisory committee to assist the department in updating the plan. This bill would revise and recast certain provisions regarding The California Water Plan to, among other things, require the department to expand the membership of the advisory committee to include, among others, tribes, labor, and environmental justice interests. The bill would require the department, as part of the 2033 update to the plan, to update the interim planning target for 2050, as provided. The bill would require the target to consider the identified and future water needs for all beneficial uses, including, but not limited to, urban uses, agricultural uses, tribal uses, and the environment, and ensure safe drinking water for all Californians, among other things. The bill would require the plan to include specified components, including a discussion of the estimated costs, benefits, and impacts of any project type or action that is recommended by the department within the plan that could help achieve the water supply targets. (Based on 10/01/2025 text)

Position: Support

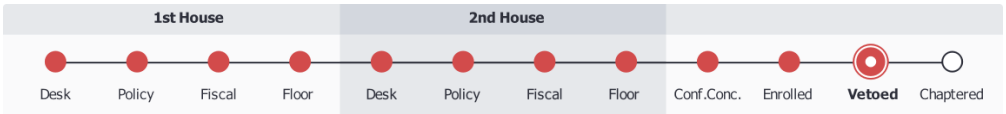
Notes:
ACWA = Support and Amend
CMUA/CSAC = Sponsor
SWC = Support

SB 224 (**Hurtado, D**) **Department of Water Resources: water supply forecasting.**

Current Text: 10/03/2025 - Vetoed **HTML** **PDF**

Last Amended: 09/02/2025

Status: 10/03/2025 - Vetoed by the Governor. In Senate. Consideration of Governor's veto pending.



Location: 10/03/2025 - Senate VETOED

Summary: Current law requires the Department of Water Resources to gather and correlate information and data pertinent to an annual forecast of seasonal water crop. Current law also requires the department to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as “The California Water Plan.”This bill would require the department, on or before January

1, 2027, to update its water supply forecasting models and procedures to address the effects of climate change and implement a formal policy and procedures for documenting the department's operational plans and the department's rationale for its operating procedures, including the department's rationale for water releases from reservoirs. The bill would also require the department to establish, and publish on the department's internet website, the specific criteria that it will employ to determine when its updated water supply forecasting model has demonstrated sufficient predictive capability to be ready for use in each of the watersheds. The bill would require the department, on or before January 1, 2028, and annually thereafter, to prepare and submit to the Legislature a report on its progress toward implementing the new forecasting model and to post the report on the department's internet website. (Based on 09/13/2025 text)

Position: Watch

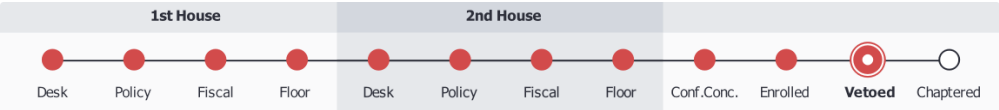
Notes:
SWC = watch

SB 454 (McNerney, D) **State Water Resources Control Board: PFAS Mitigation Program.**

Current Text: 10/01/2025 - Vetoed **HTML** **PDF**

Last Amended: 09/02/2025

Status: 10/01/2025 - Vetoed by the Governor. In Senate. Consideration of Governor's veto pending.



Location: 10/01/2025 - Senate VETOED

Summary: Current law designates the State Water Resources Control Board as the agency responsible for administering specific programs related to drinking water, including, among others, the California Safe Drinking Water Act and the Emerging Contaminants for Small or Disadvantaged Communities Funding Program. This bill, which would become operative upon an appropriation by the Legislature, would enact a perfluoroalkyl and polyfluoroalkyl substances (PFAS) mitigation program. As part of that program, the bill would create the PFAS Mitigation Fund in the State Treasury and would authorize certain moneys in the fund to be expended by the state board, upon appropriation by the Legislature, for specified purposes. The bill would authorize the state board to seek out nonstate, federal, and private funds designated for PFAS remediation and treatment and deposit the funds into the PFAS Mitigation Fund. The bill would continuously appropriate these funds to the state board for specified purposes. The bill would authorize the state board to establish accounts within the PFAS Mitigation Fund. The bill would authorize the state board to expend moneys from the fund in the form of a grant, loan, or contract, or to provide assistance services to water suppliers and sewer system providers, as those terms are defined, for multiple purposes, including, among other things, to cover or reduce the costs for water suppliers associated with treating drinking water to meet the applicable state and federal maximum PFAS contaminant levels. (Based on 09/12/2025 text)

Position: Support

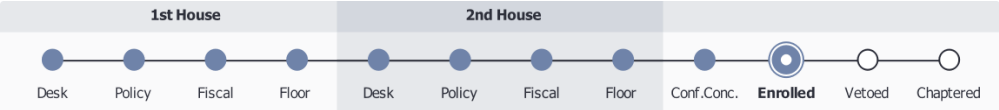
Notes:
CMUA = Favor

SB 682 (Allen, D) **Environmental health: product safety: perfluoroalkyl and polyfluoroalkyl substances.**

Current Text: 09/23/2025 - Enrollment **HTML** **PDF**

Last Amended: 09/09/2025

Status: 09/23/2025 - Enrolled and presented to the Governor at 2 p.m.



Location: 09/23/2025 - Senate ENROLLED

Summary: Would, on and after January 1, 2028, prohibit a person from distributing, selling, or offering for sale a cleaning product, dental floss, juvenile product, food packaging, or ski wax, as provided, that contains intentionally added perfluoroalkyl and polyfluoroalkyl substances (PFAS), as defined, except for previously used products and as otherwise preempted by federal law. The bill would, until January 1, 2031, exempt certain components of a cleaning product from this prohibition, as specified. The bill would clarify that, on and after January 1, 2028, a cleaning product is required to comply with certain regulations adopted by the California Air Resources Board regarding volatile organic compounds in consumer products and would prohibit the use of a regulatory variance to comply with those regulations, as specified. The bill would, on and after January 1, 2030, prohibit a person from distributing, selling, or offering for sale cookware that contains intentionally added PFAS, except for previously used products and as otherwise preempted by federal law. The bill would authorize the department, on or before January 1, 2029, to adopt regulations to carry out these provisions. (Based on 09/18/2025 text)

Position: Watch

Total Measures: 7
Total Tracking Forms: 7

OFFICE OF THE GOVERNOR

OCT 01 2025

To the Members of the California State Senate:

I am signing Senate Bill 72, which directs the Department of Water Resources (DWR) to modernize the California Water Plan and develop a water supply target to be achieved in 2050 and beyond.

The California Water Plan is the state's primary strategic document guiding the orderly and coordinated control, protection, conservation, development, management, and efficient utilization of the state's water resources. Primarily a technical document focused on water supply development, the plan includes information on various strategies to help meet the water needs of the state.

This bill will require DWR, in its next plan update, to analyze current and future water needs trends, including identifying additional water necessary to sustain public trust resources. This is a welcome opportunity to ensure the next plan update recognizes the impacts of climate change, ensures safe drinking water for all Californians, and reflects statewide, regional, and local planning efforts that include critical infrastructure for California's future – including the Delta Conveyance Project.

Sincerely,

Gavin Newsom

OFFICE OF THE GOVERNOR

OCT 01 2025

To the Members of the California State Senate:

I am returning Senate Bill 454 without my signature.

This bill establishes the PFAS Mitigation Fund, to be administered by the State Water Resources Control Board, to provide financial support or technical assistance for water suppliers and sewer system providers to reduce or remove perfluoroalkyl and polyfluoroalkyl substances (PFAS) contamination.

While well-intentioned, this bill is unnecessary. The California Environmental Protection Agency has conducted significant work in coordination with other governmental agencies on PFAS concerns since 2012. Establishing a new program without a clear source of funding would divert limited available staff resources toward developing regulations without a definitive improved outcome for Californians.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom

September 29, 2025

The Honorable Salud Carbajal
U.S. House of Representatives
Washington, DC 20515

The Honorable David Valadao
U.S. House of Representatives
Washington, DC 20515

The Honorable Troy Carter
U.S. House of Representatives
Washington, DC 20515

The Honorable Brian Mast
U.S. House of Representatives
Washington, DC 20515

The Honorable Jeff Van Drew
U.S. House of Representatives
Washington, DC 20515

Dear Congressman Carbajal, Congressman Valadao, Congressman Carter, Congressman Mast, and Congressman Van Drew,

The undersigned organizations are pleased to express our support for H.R. 5566, the Water Infrastructure Resilience and Sustainability Act of 2025. This legislation reauthorizes a suite of programs established by Congress to ensure that our nation's drinking water, wastewater, and stormwater infrastructure is resilient to the variety of threats posed by natural disasters, extreme weather, and cybersecurity concerns.

It is well documented that communities across the United States are facing escalated threats from extreme weather events and cybersecurity attacks. From severe storms in the East to drought conditions in the West, natural disasters and changes to historical hydrologic conditions pose significant challenges to the nation's drinking water, wastewater, and stormwater utilities. Similarly, an increase in cyber attacks on water systems has created new security concerns. A ransomware attack, a hurricane, a drought, and other similar threats pose the risk of disrupting water service and the cost of adapting to these threats will only add to the significant water infrastructure investment need that communities are already facing.

H.R. 5566 reauthorizes three critical programs to address the cost of water system resilience by offering competitive grants to help communities enhance water supply, increase the resilience to natural hazards and cybersecurity, and invest in innovative technological solutions. The original program, the Drinking Water System Infrastructure Resilience and Sustainability Program, was first established in America's Water Infrastructure Act of 2018 and serves small and disadvantaged communities. In 2021, the Clean Water Infrastructure Resilience and Sustainability Program and the Midsize and Large Drinking Water System Infrastructure Resilience and Sustainability Program were established as complimentary programs serving wastewater and large drinking water systems.

Over the past several years, Congress began appropriating funds to support these authorizations and the EPA has provided more than $25 million through the original program for small and disadvantaged communities. Last month, the agency began soliciting applications for more than $9 million in assistance for midsize and large drinking water systems. We believe Congress must build on this momentum by reauthorizing these important programs before they expire following the 2026 fiscal year.

We strongly support each of these programs to comprehensively tackle this largescale issue. Under H.R. 5566, drinking water and wastewater systems are encouraged to utilize innovative infrastructure approaches that will serve as models for other communities struggling with similar challenges. These programs urge communities across the country to build resilience into their infrastructure today to ensure uninterrupted water service for decades to come.

Again, we support H.R. 5566, the Water Infrastructure Resilience and Sustainability Act of 2025, as an important step in our nation's effort to prepare its critical infrastructure for extreme weather events and climate change. Thank you for your leadership on this issue and we look forward to working with you toward the passage of this legislation.

Sincerely,

Alliance for Water Efficiency
American Public Works Association
American Rivers
American Water Works Association
Association of California Water Agencies
Association of Metropolitan Water Agencies
California Association of Sanitation Agencies
National Association of Clean Water Agencies
National Association of Water Companies
US Water Alliance
Water Environment Federation
WateReuse Association

ZONE 7 WATER AGENCY
Delivering Quality, Reliability and Safety

100 North Canyons Parkway
Livermore, CA 94551
(925) 454-5000

ORIGINATING SECTION: Administration
CONTACT: Osborn Solitei

AGENDA DATE: October 15, 2025

SUBJECT: FY 2024-25 Unaudited Fourth Quarter Revenue and Expenditure Report

SUMMARY:

The proposed action is in support of Strategic Plan Goal H – Fiscal Responsibility: Operate the Agency in a fiscally responsible manner, and Strategic Plan Initiative No. 21 – Continue to effectively manage financial resources for the Agency. In carrying out these fiscal responsibilities, staff provides quarterly financial reports to the Finance Committee and the Board. This quarterly report provides a summary of unaudited revenue and expenditures, fiscal year-end projections, and explanations of any major variances through the fourth quarter of fiscal year (FY) 2024-25 (July 1, 2024 – June 30, 2025) for the following funds:

- Fund 100 – Water Enterprise Operations
- Fund 110 – State Water Facilities
- Fund 120 – Water Enterprise Renewal/Replacement & System-Wide Improvements
- Fund 130 – Water Enterprise Capital Expansion
- Fund 200 – Flood Protection Operations
- Fund 210 – Flood Protection Development Impact Fee Fund (DIF)

This report was presented to the Finance Committee on September 10, 2025. The Committee unanimously recommended that the report be submitted to the next regular Board Meeting.

Highlights of this report include:

- **Water Sales** – Year-end unaudited water sales revenue exceeded the budget by approximately $1.7M due to actual treated water sales. The primary driver is water deliveries to the City of Pleasanton. The City of Pleasanton continues to purchase additional water supply from the Agency due to the City's suspended groundwater pumping from heightened levels of PFAS in the groundwater. The table below compares budgeted to actual water sales.

	FY 2024-25 Budget	FY 2024-25 Unaudited Actual
Treated Water Sales (AF)	34,000	36,179
Untreated Water Sales (AF)	5,000	4,836

- **Water Connection Fees** – Year-end unaudited actual water connection fee revenue exceeded the budget by approximately $10.8M primarily the City of Livermore, including Triad Place and Serenity Homes as part of the Isabel Neighborhood Plan and the Arroyo Crossings Development located on the east side of the Arroyo Seco channel along Las Positas Road.

- **Reserves** – On June 18, 2025, the Board established the Water Reliability Reserve via Resolution No. 25-47. The year-end unaudited reserve balance is approximately $9.8 million. The Water Reliability Reserve provides flexibility and agility to address water supply challenges and opportunities. The Board may designate the use of this reserve during the budget development process.

- **Flood Project Delays** – Delays in environmental permitting for high-priority storm damage sites, the Alamo Creek Project, Phase 1 Group A Storm Repairs, and US Army Corps of Engineers storm sites, have pushed back work originally scheduled for fiscal year 2024-25 to at least fiscal year 2025-26. As a result of these delays, the budget for Fund 200 – Flood Protection Operations has been significantly underspent. The unspent budgets from FY 2024-25 will be utilized once the necessary permits for the projects are obtained.

ANALYSIS:

The Agency maintains several funds that are grouped into two categories – Unrestricted Fund Balances and Restricted Fund Balances.

UNRESTRICTED FUNDS

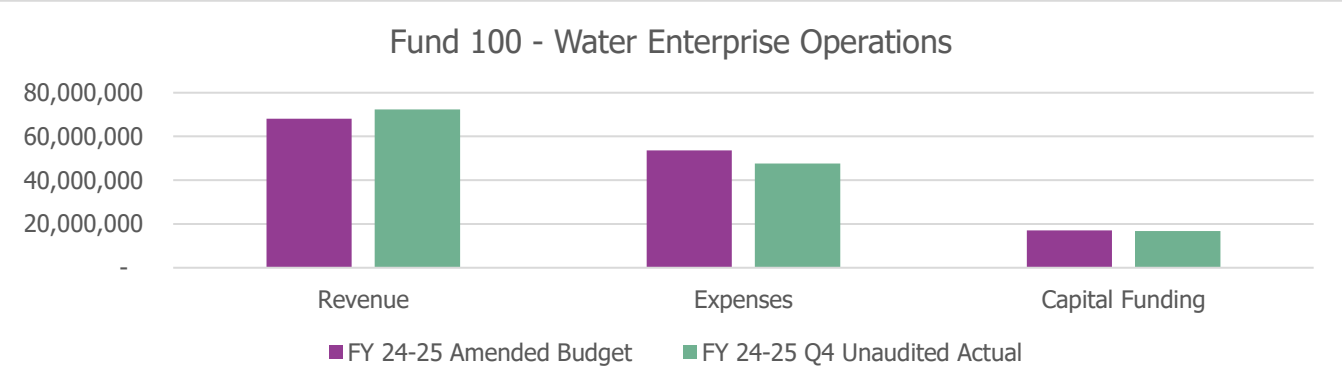
Unrestricted Fund Balance: This describes the portion of fund balance that is not restricted for use. To facilitate the discussion of reserve funds, this report will categorize the various funds as "Unrestricted Reserves" and "Restricted Reserves." In general, Board policy can most affect Unrestricted Reserves.

Fund 100 – Water Enterprise Operations Fund

Primary Funding Source: Water Rates

The purpose of this fund is to ensure the delivery of high-quality drinking and irrigation water to the Livermore-Amador Valley. This operations and maintenance fund includes water treatment and distribution of potable (drinking) water, distribution of untreated agricultural/irrigation water, and groundwater management. Water distributed is a combination of locally stored and imported water from the SWP. Activities include water treatment, water quality analysis, water resource management, groundwater recharge and protection, maintenance, out-of-area water banking infrastructure, and water supply planning and engineering.

The following graph shows the FY 2024-25 Amended Budget and fiscal year-end unaudited actual revenues, expenditures, and capital funding.



Details of Revenue and Expenses for Fund 100

Fund 100 - Water Enterprise Operations	FY 24-25 Amended Budget	FY 24-25 Q4 Unaudited Actual	Year-End Over / (Under) Budget
Audited Beg. Fund Balance	**$32,050,000**	**$32,032,000**	**($18,000)**
Revenue			
Water Sales[1]	67,393,000	69,112,000	1,719,000
Investment Earnings[2]	479,000	959,000	480,000
Other Revenue[3]	313,000	2,227,000	1,914,000
Total Revenue	**$68,185,000**	**$72,298,000**	**4,113,000**
Expenses			
Labor	20,801,000	20,779,000	(22,000)
Professional Services[4]	4,909,000	2,948,000	(1,961,000)
Legal Services	455,000	316,000	(139,000)
County Services	1,133,000	1,145,000	12,000
Insurance Services	850,000	830,000	(20,000)
Water[5]	9,268,000	5,574,000	(3,694,000)
Chemicals[5]	4,000,000	4,068,000	68,000
Utilities[5]	2,308,000	2,539,000	231,000
Repairs and Maintenance	2,478,000	2,416,000	(62,000)
Rental Services	119,000	114,000	(5,000)
General/Other Supplies	1,913,000	1,611,000	(302,000)
Other Services	455,000	306,000	(149,000)
Debt Service	4,976,000	4,976,000	-
Total Operating Expenses	**$53,665,000**	**$47,622,000**	**($6,043,000)**
Capital Funding[6]	17,118,000	16,737,000	(381,000)
Total Expenses	**$70,783,000**	**$64,359,000**	**($6,424,000)**
Estimated Revenue over Expenses	(2,598,000)	7,939,000	10,537,000
Ending Fund Balance	**$29,452,000**	**$39,971,000**	**$10,519,000**

Note: Values are rounded to the thousands.

Revenue

1. **Water Sales:** Year-end unaudited water sales revenue exceeded the budget by approximately $1.7M due to treated water sales. The primary driver is water deliveries to the City of Pleasanton. The City of Pleasanton continues to purchase additional water supply from the Agency due to the City's suspended groundwater pumping from heightened levels of PFAS in the groundwater. The table below compares budgeted to actual water sales.

	FY 2024-25 Budget	FY 2024-25 Unaudited Actual
Treated Water Sales (AF)	34,000	36,179
Untreated Water Sales (AF)	5,000	4,836

2. **Investment Earnings:** Unaudited year-end investment earnings exceed budget, reflecting favorable market conditions.

3. **Other revenue**: Other revenue exceeds budget primarily due to a one-time reimbursement of $1.59M from the Los Vaqueros Reservoir Expansion project. Fund 100 received 80% (~$1.27M) of the reimbursement. The remaining 20% (~$318K) was allocated to Fund 130. The year-end unaudited actual also includes other revenues such as DWR refunds.

Expenditures

4. **Professional Services:** Includes professional services related to water enterprise operations. The year-end unaudited actual is less than the budget because of multi-year and as-needed budgeted services. The following lists unspent budgets for ongoing efforts to be continued in FY 2025-26.
    - Water supply model (~$113K)
    - ADV Water Rights CEQA Compliance (~$185K)
    - Demand Study and Urban Water Management Plan (~$227K)
    - Legislative Advocacy Services (~$70K)
    - Engineering Support for Water Quality Studies (~$125K)
    - Groundwater model update (~$180K)
    - Water Infrastructure Act Risk and Resiliency (~$70K)

    In addition, $250K from contingency was unspent during the year.

5. **Water production costs:** Includes Water, Chemicals, and Utilities.

    Water: The SWP allocation for CY 2024 was 40% and the final allocation for CY 2025 is 50%. Year-to-date expenses are primarily made up of the SWP conveyance costs and six months of the Delta Conveyance Project participation costs (CY 2024 funding). The following table summarizes the primary drivers for the year-end unaudited actual.

	2024-25 Adopted Budget	FY 2024-25 Unaudited Actual	Difference	Reason for Variance
SWP Conveyance Costs	$3,000,000	$2,727,000	($273,000)	On par with the budget. Actual Water Operations Plan aligned with the budget.
Delta Conveyance Project Funding	$3,300,000	$1,187,000	($2,113,000)	Per Resolution No. 24-28, dated October 16,2024 – Agency approved funding for pre-construction for CYs 2026 and 2027. No funding is required for CY 2025.
Water Transfers	$1,000,000	$52,000	($948,000)	No water transfers occurred FY 24-25 due to the 50% allocation. Actual expenses are admin costs for the Sutter Extension Water District Agreement.
Water Banking Program	$1,778,000	$1,461,000	($317,000)	The actuals represent the annual fixed charge to Semitropic and recharge expenses to Cawelo.

Chemicals and Utilities: The year-end unaudited actual chemical expenditures slightly over budget due to continued cost increases. Year-end unaudited actual utility costs are over budget primarily due to an increase in groundwater production at Stoneridge and Chain of Lakes wells. In addition, the newly added booster pump at Stoneridge well has increased power consumption significantly over previous years. The Agency is in the process of switching the power at the Stoneridge well to PWRPA to reduce future energy costs.

6. **Capital Funding**: The year-end unaudited actual capital funding is less than budget as the budget assumes a 3% annual adjustment, and the actual Engineering News Record Construction Cost Index (ENRCCI) adjustment from June 2023 to June 2024 was 0.001%.

Reserves

Per Initiative No. 21 of the Agency's Strategic Plan, the Agency shall maintain target levels of reserves. As of June 30, 2025, Fund 100 reserves are fully funded at the target level. The table below compares Minimum, Target, and Maximum reserves to projected FYE reserves.

Fund 100 Reserves	Minimum	Target	Maximum	FY 24-25 Unaudited Actual
Operating Reserves[1]	$8,601,000	$12,902,000	$17,202,000	$12,902,000
Emergency Reserves[2]	6,803,000	8,503,000	10,204,000	8,503,000
Reserve for Economic Uncertainties[3]	3,532,000	5,298,000	7,065,000	5,298,000
Subtotal	***$18,936,000***	***$26,703,000***	***$34,471,000***	***$26,703,000***
Pension Trust Fund				1,920,000
Water Reliability Fund[4]				9,848,000
Unallocated Balance				1,500,000
Total Reserves	**$18,936,000**	**$26,703,000**	**$34,471,000**	**$39,971,000**

Note: Values rounded to the thousands.

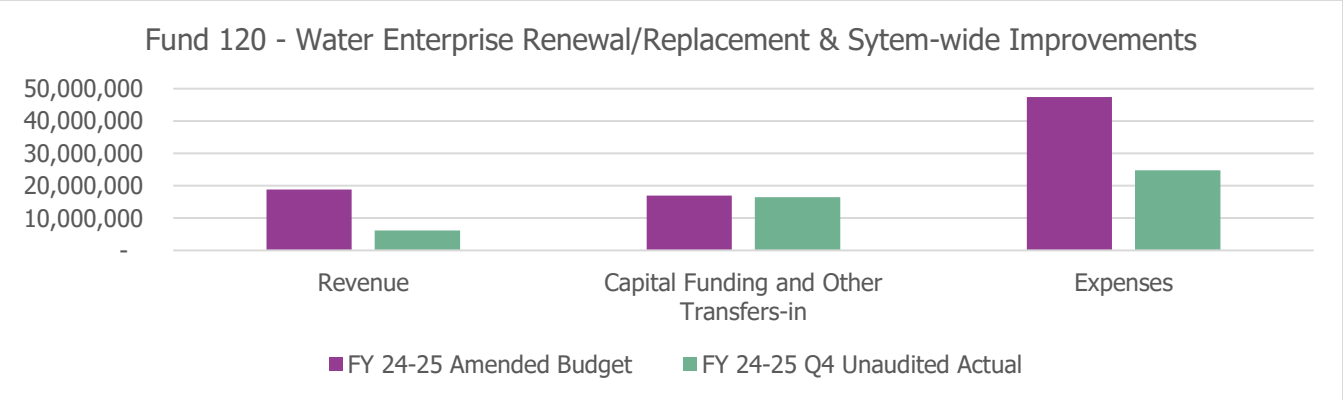
[1]The FY 24-25 Q4 projected FYE Operating Reserve is funded at the target level of 90 days of FY 2025-26 operating expenses.
[2]The FY 24-25 Q4 projected FYE Emergency Reserve is funded at the target level of 2.5% of FY 2024-25 Water Enterprise assets.
[3]The FY 24-25 Q4 projected FYE Reserve for Economic Uncertainties is funded at 15% of FY 2025-26 budgeted volume-based water sales revenue.
[4]The Board established the Water Reliability Fund via Resolution No. 25-47, dated June 18, 2025. The Water Reliability Reserve provides flexibility and agility to address water supply challenges and opportunities. The reserve has no assigned minimum, target, or maximum amount.

Fund 120 – Water Renewal/Replacement & System-Wide Improvements

This is a sub-fund of the Fund 100 – Water Enterprise Operations Fund
Primary Funding Source: Water Rates via a transfer from Fund 100

The purpose of this fund is to ensure funding is available for capital renewal, replacement, and system-wide improvement projects needed to keep the current water treatment and delivery systems functioning effectively. Fund 120 pays for capital projects as outlined in the Agency's asset management program and the capital improvement program.

The following graph shows the FY 2024-25 Amended Budget and year-end unaudited actual revenue, capital funding, and expenditures.



Note: When expenses exceed revenue, capital reserves (working capital) are being expended.

Details of Revenue and Expenses for Fund 120

Fund 120 - Water Enterprise Renewal/Replacement & Systemwide Improvements	FY 24-25 Amended Budget	FY 24-25 Q4 Unaudited Actual	Year-End Over/(Under) Budget
Audited Beginning Fund Balance	**$70,914,000**	**$81,633,000***	**$10,719,000**
Revenue			
Investment Earnings[1]	1,378,000	2,870,000	1,492,000
Other Revenue[2]	452,000	7,494,000	7,042,000
DWR Grant[3]	16,958,000	2,902,000	(14,056,000)
Total Revenue	**$18,788,000**	**$13,266,000**	**($5,522,000)**
Other Financing Sources			
Capital Funding[4]	16,912,000	16,441,000	(471,000)
Total Other Financing Sources	**$16,912,000**	**$16,441,000**	**($471,000)**
Expenses			
Labor[5]	2,118,000	1,678,000	(440,000)
Legal Services[6]	-	1,775,000	(1,775,000)
Capital Projects[7]	45,296,000	23,086,000	(22,210,000)
Total Expenses	**$47,414,000**	**$26,539,000**	**($20,875,000)**
Estimated Revenue/Other Financing Sources over Expenses	(11,714,000)	3,168,000	14,882,000
Ending Fund Balance	**$59,200,000**	**$84,801,000**	**$25,601,000**

Note: Values are rounded to the thousands.
* The audited beginning fund balance is approximately $10.7M higher than budget due to the partial receipt of the Stoneridge PFAS Treatment Facility grant in FY 2023-24.

Revenue

1. **Investment Earnings:** Year-end unaudited actual investment earnings exceed budget and reflect current favorable market conditions.

2. **Other Revenue:** The Agency was part of a class action in the Aqueous Film-Forming Foams Product Liability Multidistrict Litigation due to PFAS contamination in Public Water System's Drinking Water. The class action includes settling defendants 3M, Du Pont, Tyco, and BASF. A class action settlement was reached with 3M and Zone 7's share is estimated to be about $11 million. The Agency received $7.1 million ($5.3 million net of legal costs) in FY 2024-25, the remaining settlement amount will be paid over eight years through 2033. Additionally, other revenue includes a partial receipt of the City of Pleasanton's 50% cost share for the Regional Groundwater Project. This project is currently underway and will continue into FY 2025-26.

3. **DWR Grant:** The Agency was formally awarded $16M for the Stoneridge PFAS Treatment Facility project in September 2023. The Agency has submitted all invoices and has received all grant funds except for 10% of the grant funds set aside for retention ($1.6M). The Agency plans to request the remaining 10% of funds in FY 2025-26.

4. **Capital Funding:** The year-end unaudited actual capital funding is less than budget as the budget assumes a 3% annual adjustment, and the actual ENRCCI adjustment from June 2023 to June 2024 was 0.001%.

Expenses

5. **Labor costs:** Year-end unaudited labor includes payroll through June 30, 2025.

6. **Legal Services**: Year-end unaudited legal services include legal services, fees, and other costs associated with the 3M class action settlement.

7. **Capital Projects:** The year-end unaudited actual is less than budget because of multi-year projects and projects that were completed under budget. The list below captures unspent budget for ongoing projects that will continue into or start in FY 2025-26.
    - Stoneridge PFAS Treatment Facility – switching to PWRPA power (~$2.3M)
    - Mocho Wellfield PFAS Treatment Facility and Well & MGDP Electrical Upgrades/Replacement (~ $2.4M)
    - Chain of Lakes PFAS Treatment Facility (~$2.9M)
    - Chain of Lakes Conveyance System (~$600K)
    - DVWTP and PPWTP HVAC Replacement (~$625K)
    - Patterson Pass Improvements and Replacements (~$2.3M)
    - DVWTP Booster Pump Station VFDs and Sludge Bed Underdrain Pump Station Replacement (~$1.5M)
    - Electric Vehicle Charges at North Canyons (~$600K)
    - PPWTP Sludge Handling Rehabilitation (~$850K)

Reserves

The table below compares the FY 2024-25 Amended Budget ending reserve balances to the unaudited actual ending reserve balances.

Fund 120 Reserves	FY 24-25 Amended Budget FYE	FY 24-25 Unaudited Actual
Debt Service Rate Stabilization Reserve	$6,300,000	$6,300,000
Pension Trust	57,000	50,000
Designated for Capital Projects Reserve[1]	52,843,000	78,451,000
Total Reserve	$59,200,000	$84,801,000

[1]Reserve is designated for capital projects to fund the Fund 120 CIP projects the Agency has committed to over the next five years. The Zone 7 Board adopted the Five-Year Water System CIP on June 21, 2023 (Resolution No. 17-81).

The following table summarizes the Agency's major projects in progress. For more information on capital projects, see the Capital Projects Status Report in the August 20, 2025, Board meeting agenda packet.

Project	Total Estimated Cost	Fund 120 Share	Fund 120 Cash Financed	Fund 120 Bond Financing	Status	In-Service
Asset Management Program and Ten-Year CIP Update	$1.16M	$902K	$902K	$-	Planning	Late Fall 2025
Pipeline Inspection Study	$250K	$250K	$250K	$-	In-process	Fall 2025
DVWTP and PPWTP HVAC Replacement	$3.0M	$3.0M	$3.0M	$-	Planning	Summer 2028
PPWTP Improvements	$9.0M	$9.0M	$9.0M	$-	Planning	Summer 2028
Stoneridge Well PFAS Project	$16.3M	$16.3M	$16.3M	$-	Functional completion September 2023	Winter 2026 (PWRPA Switch)
Wells & MGDP Electrical Upgrades/ Replacement Project	$7.3M	$7.3M	$7.3M	$-	Functional completion Feb 2025	Oct 2025 – Feb 2026 (PWRPA Switch)
Electric Vehicle Chargers	$651K	$651K	$651K	$-	Pre-construction	Spring 2026
DVWTP Booster Pump Station VFD and Underdrain Pump Station Replacement	$1.91M	1.91M	$1.91M	$-	Construction	Spring 2026
Mocho PFAS Treatment Plant*	$35.5M	$35.5M	TBD	TBD	Planning / Design	Summer 2028
Risk and Resilience Assessment and Emergency Response Plan	$200K	$200K	$200K	$-	On-going	Fall 2025
Joint Regional Groundwater Development Project**	$2.7M	$1.35M	$1.35M	$-	In-process	Fall 2025
Total	**$78.1M**	**$76.4M**	**$40.9M**	**$-**		

* The total project cost for the Mocho PFAS Treatment Plant is estimated to range between $35.5M and $52M and is anticipated to be partially funded by external funding sources.
** The Joint Regional Groundwater Development Project is funded 50% by the City of Pleasanton and 50% by Zone 7.

RESTRICTED FUNDS ANALYSIS

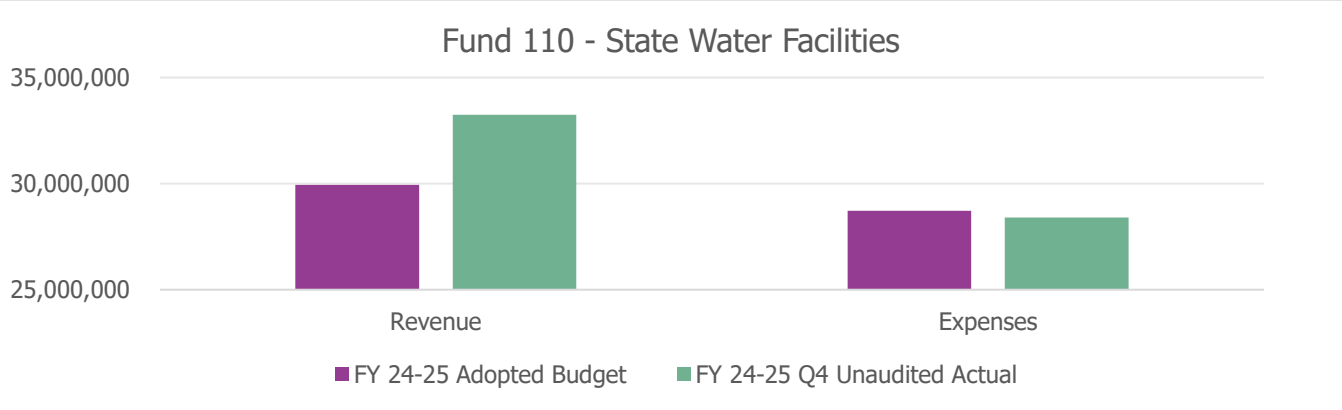
Restricted Fund Balance: Includes the portion of the fund balance that can only be spent for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers. The restricted fund balance also includes a legally enforceable requirement that the resources can only be used for specific purposes enumerated in the law. The restricted funds are not available to serve as operating or emergency reserves. These primarily include property taxes, connection and developer fees received for capital projects, debt service requirements, and fees charged for the provision of future water resources.

Fund 110 – State Water Facilities Fund

Primary Funding Source: Property Taxes. The property tax override is exempt from the ad valorem property tax levy limitations of Article XIIIA of the Constitution of the State of California as the indebtedness was approved prior to July 1, 1978.

Fund 110 funds the fixed cost payment to DWR to import water to the Agency which includes repayment of voter-approved, State-incurred, long-term debt.

The following graph shows the FY 2024-25 Adopted Budget and year-end unaudited actual revenue and expenditures.



When expenses exceed revenue, operating reserves (working capital) are being expended.

Details of Revenue and Expenses for Fund 110

Fund 110 - State Water Facilities	FY 24-25 Adopted Budget	FY 24-25 Q4 Unaudited Actual	Year-End Over / (Under) Budget
Audited Beg. Fund Balance	**$51,731,000**	**$52,340,000**	**$609,000**
Revenue			
Dougherty Valley Surcharge	2,773,000	2,717,000	(56,000)
Property Taxes[1]	22,201,000	23,997,000	1,796,000
DWR Refunds	3,675,000	4,746,000	1,071,000
Investment Earnings[2]	1,292,000	1,778,000	486,000
Total Revenue	**$29,941,000**	**$33,238,000**	**$3,297,000**
Expenses[3]	**$28,712,000**	**$28,398,000**	**($314,000)**
Estimated Revenue over Expenses	1,229,000	4,840,000	3,611,000
Ending Fund Balance	**$52,960,000**	**$57,180,000**	**$4,220,000**

Note: Values are rounded to the thousands.

Revenue

This is a pass-through fund for fixed charges associated with the SWP, assessed as a property tax override.

1. **Property Taxes**: Year-end unaudited actual property tax is comprised of the first and second installments of current property taxes. Revenue is higher than the budget due to increases in assessed value within the service area and increases in unsecured and supplemental property taxes.

2. **Investment Earnings:** Year-end unaudited actual investment earnings exceed budget and reflect current favorable market conditions.

Expenses

3. **Expenditures:** Year-end unaudited actual include annual DWR fixed charges, including transportation capital charges and the improvement portion of the South Bay Aqueduct (SBA) Improvement and Enlargement Project.

Reserves

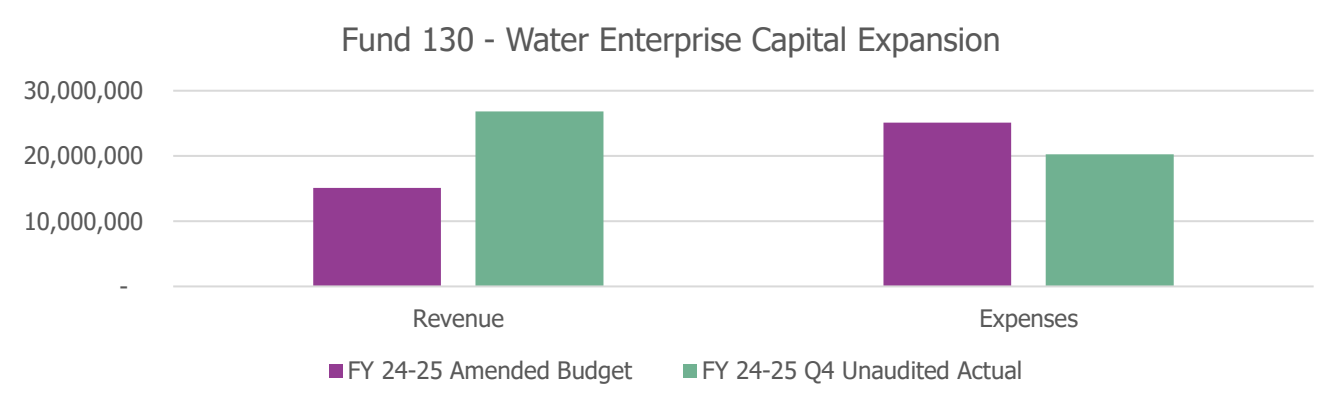
The following table compares the FY 2024-25 Adopted Budget ending reserve balance to the unaudited ending reserve balance. In December 2024, the Board formally adopted the amended Reserve Policy, via Resolution No. 24-106, removing the maximum level from the State Water Facilities Reserve. The reserve will accumulate funds to offset future volatile increases in State Water Project capital costs.

Fund 110 Reserves	FY 24-25 Adopted Budget FYE	FY 24-25 Q4 Unaudited Actual
Operating Reserve	$52,960,000	$57,180,000
Total Reserve	$52,960,000	$57,180,000

Fund 130 – Water Enterprise Capital Expansion
Primary Funding Source: Water Connection Fees.

The purpose of this fund is to ensure the Agency can meet the future needs of new customers with development paying its own way. The program is primarily intended to provide funding for new or expanded facilities and additional water supplies to serve additional capacity requirements of development. Most expenses in this fund are fixed (i.e., bond payment obligations for debt incurred by others to increase capacity, such as the enlargement portion of the South Bay Aqueduct Improvement and Enlargement Project). Developer fees can only be used for projects related to water system expansion.

The following graph shows the FY 2024-25 Amended Budget and fiscal year-end unaudited actual revenue and expenditures.



Details of Revenue and Expenses for Fund 130

Fund 130 - Water Enterprise Capital Expansion	FY 24-25 Amended Budget	FY 24-25 Q4 Unaudited Actual	Year-End Over/(Under) Budget
Audited Beg. Fund Balance	**$69,651,000**	**$68,034,000**	**($1,617,000)**
Revenue			
Connection Fees[1]	10,000,000	20,780,000	10,780,000
Investment Earnings[2]	1,669,000	2,375,000	706,000
DWR Refunds	3,000,000	3,139,000	139,000
Other Revenue[3]	450,000	504,000	54,000
Total Revenue	**$15,119,000**	**$26,798,000**	**$11,679,000**
Expenses			
Labor[4]	379,000	291,000	(88,000)
Water[5]	16,790,000	16,594,000	(196,000)
Capital Projects[6]	6,850,000	2,294,000	(4,556,000)
Debt Service	1,092,000	1,092,000	-
Total Expenses	**$25,111,000**	**20,271,000**	**($4,840,000)**
Estimated Revenue over Expenses	(9,992,000)	6,527,000	16,519,000
Ending Fund Balance	**$59,659,000**	**$74,561,000**	**$14,902,000**

Note: Values are rounded to the thousands.

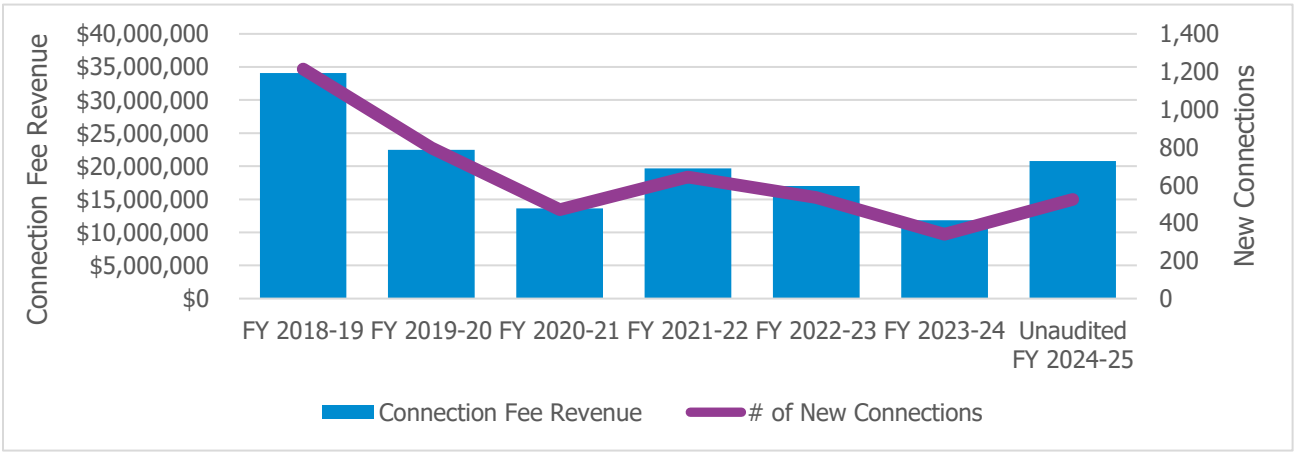
Revenue
The primary source of revenue is connection fees.

1. **Connection Fees:** Year-end unaudited actual revenue is higher than budget primarily due to new development within the City of Livermore, including Triad Place and Serenity Homes as part of the Isabel Neighborhood Plan and the Arroyo Crossings Development located on the east side of the Arroyo Seco channel along Las Positas Road.


Triad Place Spring 2025


Triad Place August 2025

Although this year's connection fee revenue was better than expected, connection fee revenue has continued to decline since 2019. The on-going connection fee study will inform staff of future development in the service area. The following graph illustrates the declining trend since FY 2018-19.



	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	2024-25 Unaudited Actual
Connection Fee Revenue	$34,068,092	$22,461,926	$13,609,527	$19,669,510	$17,023,627	$11,860,411	$20,780,000
# of New Connections	1,214	796	470	643	535	340	525[1]

[1] The City of Livermore had 336 new water connections of the 525 new water connections received in FY 2024-25.

2. **Investment Earnings:** Year-end unaudited actual investment earnings exceed budget and reflect current favorable market conditions.

3. **Other Revenue:** Includes a one-time reimbursement from the Los Vaqueros Reservoir Expansion project ($1.59M). Fund 100 received 80% (~$1.27M) of the reimbursement. The remaining 20% (~$318K) was allocated to Fund 130. Other revenue also includes part of the City of Pleasanton's 50% cost share of the Regional Groundwater Project. The project is underway and will continue into FY 2025-26.

Expenses

4. **Labor:** Year-end unaudited actual includes water expansion project labor through June 30, 2025.

5. **Water**: Year-end unaudited actuals are made up of both installments of the SBA debt service payments.

6. **Capital Projects:** Year-end unaudited actuals include the FY 2024-25 Sites Reservoir participation payment, continued work on the Regional Groundwater project and connection fee study, and progress on the 10-year capital improvement plan update.

Reserves

The table below compares the FY 2024-25 Amended Budget ending reserve balances to the unaudited actual ending reserve balances.

Fund 130 Reserves	FY 24-25 Amended Budget FYE	FY 24-25 Q4 Unaudited Actual
Sinking Funds[1]	$29,170,000	$29,170,000
Debt Service Rate Stabilization Reserve	2,300,000	2,300,000
Designated for Capital Projects Reserve[2]	28,170,000	43,076,000
Pension Trust Fund	19,000	15,000
Total Reserves	$59,659,000	$74,561,000

[1]Reserve established by the Board to fund SBA debt service payments that continue after the service is built out.
[2]Reserve designated for capital projects to fund expansion CIP projects the Agency has committed to over the next ten years.

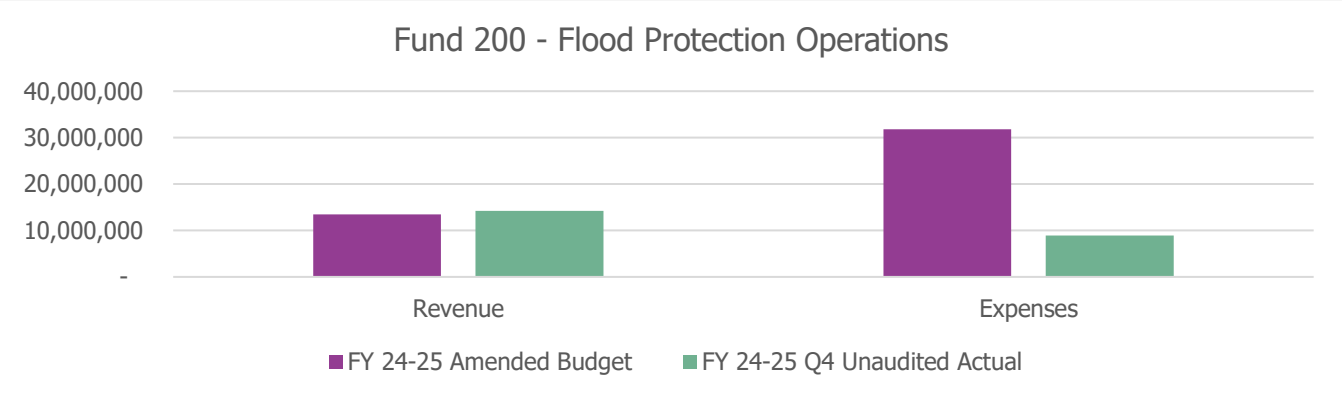
Below is a summary of the Agency's major projects in progress or recently completed.

Project	Total Cost	Fund 130 Share	Status	In-Service/Completion
Asset Management Program and Ten-Year CIP Update	$1.15M	$250K	In-process	Fall 2025
Non-discretionary obligations	~$20M annually	~$20M	n/a	ongoing
Joint Regional Groundwater Development Project	$2.7M	$1.35M	In-process	Fall 2025

Fund 200 – Flood Protection Operations
Primary Funding Source: Property Taxes. Ad valorem property taxes equal to one percent (1%) of the full cash value, of which Zone 7 of the Alameda County Flood and Water Conservation District receives a proportionate share.

This fund uses property taxes to provide general administration, maintenance, and operation of regional flood protection facilities. The Agency manages a watershed of 425 square miles in eastern Alameda County, receiving drainage from parts of Contra Costa, Santa Clara, and San Joaquin Counties. More than 37 miles of flood control channels and regional drainage facilities are owned and maintained by the Agency. This fund finances a comprehensive year-round maintenance program that includes repairing slides and erosion, refurbishing access roads and associated drainage ditches, installing and repairing gates and fences, and maintaining landscaped areas. This fund pays for renewal/replacement and improvement projects for the existing flood protection system.

The following graph shows FY 2024-25 Amended Budget and year-end unaudited actual revenue and expenditures.



Details of Revenue and Expenses for Fund 200

Fund 200 - Flood Protection Operations	FY 24-25 Amended Budget	FY 24-25 Q4 Unaudited Actual	Year-End Over/(Under) Budget
Audited Beg. Fund Balance	**$27,790,000**	**$27,801,000**	**$11,000**
Revenue			
Property Taxes[1]	12,573,000	12,630,000	57,000
Investment Earnings[2]	595,000	986,000	391,000
Grants[3]	94,000	382,000	288,000
Other Revenue	236,000	247,000	11,000
Total Revenue	**$13,498,000**	**$14,245,000**	**$747,000**
Expenses			
Labor[4]	3,133,000	3,194,000	61,000
Professional Services[5]	6,319,000	2,718,000	(3,601,000)
Repairs and Maintenance[6]	21,277,000	2,318,000	(18,959,000)
Other Services/Supplies	1,041,000	706,000	(335,000)
Total Expenses	**$31,770,000**	**$8,936,000**	**($22,834,000)**
Estimated Revenue over Expenses	(18,272,000)	5,309,000	23,581,000
Ending Fund Balance	**$9,518,000**	**$33,110,000**	**$23,592,000**

Note: Values are rounded to the thousands.

Revenue

The primary source of revenue for this fund is property taxes.

1. **Property Tax:** Year-end unaudited actual property tax is comprised of the first and second installment of property tax, as well as revenue received through unsecured and supplemental property taxes.

2. **Investment Earnings:** Year-end unaudited actual investment earnings exceed budget and reflect current favorable market conditions.

3. **Grants:** The year-end unaudited actual reflects a $43K federal grant received from Cal OES for prior expenses incurred from the high-priority maintenance work from the 2023 storms, a $21K State grant for prior expenses incurred on the Arroyo Mocho Floodplain and Riparian Forest Restoration Project, and approximately $318K in state grant funds for the Flood Management Plan.

Expenses

4. **Labor:** Year-end unaudited actuals include this fund's share of labor through June 30, 2025.

5. **Professional Services:** Includes professional services for Flood operations (permitting, surveys, Living Arroyos, as-needed services etc.) and ongoing services related to the Flood Management Plan. The year-end unaudited actual reflects ongoing design and permitting efforts for the Phase 1 and high priority flood sites and on-going efforts for the Flood

Management Plan. However, permitting delays have slowed down progress on Phase 1 and high priority site projects. These efforts will continue into FY 2025-26.

6. **Repairs and Maintenance:** Delays in environmental permitting for the following projects have pushed back work originally scheduled for fiscal year 2024-25 to at least fiscal year 2025-26. The list below captures the FY 2024-25 unspent budgets for ongoing flood projects that will continue into FY 2025-26.
    - High-priority storm damage sites (~880K)
    - Alamo Creek Project (~$5.1M)
    - Phase 1 Storm Repairs Group A (~$3.7M)
    - US Army Corps of Engineers (USACE) storm sites (~$8M)

    As a result of these delays, the budget for Fund 200 – Flood Protection Operations has been significantly underspent. The unspent budgets from FY 2024-25 will be utilized once the necessary permits for the projects are obtained. In addition, flood maintenance activities were approximately ~$1.3M under budget due to as-needed and on-call budgeted services.

Reserves

The table below compares the FY 2024-25 Amended Budget ending reserve balance to the unaudited year-end projected ending reserve balance.

Fund 200 Reserves	FY 24-25 Amended Budget	FY 24-25 Unaudited Actual
Operating Reserves[1]	$9,312,000	$11,854,000
Designated for Capital Projects Reserve[2]	-	21,048,000
Section 115 Pension Trust	206,000	208,000
Total Reserves	$9,518,000	$33,110,000

[1] This fund may be routinely utilized by staff to cover temporary cash flow deficiencies caused by timing differences between revenue and expenses and/or shifts in the allocation of property taxes to Zone 7.
[2] Per the Agency's Reserve Policy, there is no minimum or maximum level required for the Flood capital projects reserve.

The Agency is in the process of developing and implementing a Flood Management Plan to direct the Agency's future flood maintenance activities and capital projects. Flood Management Plan Phase 2A professional and project management services were approved at the February 15, 2023, Board meeting.

The following table lists major repairs/projects that are in progress or recently completed.

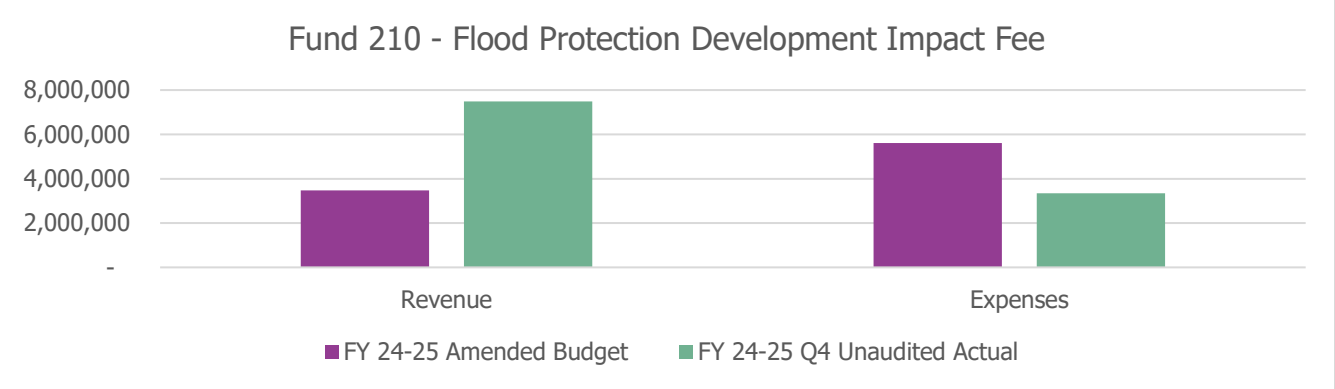
Project	Total Cost	Fund 200 Share	Status	Approx. Completion
Alamo Creek Bank Stabilization Pilot Project[1]	$6.1M	$6.1M	Permitting	2026
2022-23 Storm Damage High Priority Repairs	$4.47M	$4.47M	Permitting	2026
2023 Storm Damage Repairs – Phase 1	$28.7M	$28.7M	Design/Permitting	2027
2023 Storm Damage Sites by USACE	$27M	$6.15M	Permitting	2026

[1]DWR awarded the Agency up to $4.6M in grants through the Floodplain Management, Protection, and Risk Awareness Grant program. Proceeds of this grant are not reflected in the projected ending fund balance.

Fund 210 – Flood Protection Development Impact Fee Fund
Primary Funding Source: Development Impact Fees.

The purpose of this fund is to ensure the Agency can meet future needs for expansion-related flood control facilities. The program is primarily intended to provide funding for any flood control facilities required for new development. Funds are expended on the planning, design, lands and right of way acquisition, environmental review, permitting, and construction for drainage projects.

The following graph shows the FY 2024-25 Amended Budget and year-end unaudited actual revenue and expenditures.



Details of Revenue and Expenses for Fund 210

Fund 210 - Flood Protection DIF Fund	FY 24-25 Amended Budget	FY 24-25 Q4 Unaudited Actual	Year-End Over/(Under) Budget
Audited Beg. Fund Balance	**$78,092,000**	**$79,774,000**	**$1,682,000**
Revenue			
Development Fees[1]	1,500,000	4,698,000	3,198,000
Investment Earnings[2]	1,952,000	2,537,000	585,000
Other Revenue	25,000	250,000	225,000
Total Revenue	**$3,477,000**	**$7,485,000**	**$4,008,000**
Expenses			
Labor[3]	147,000	30,000	(117,000)
Capital Projects[4]	5,470,000	3,311,000	(2,159,000)
Total Expenses	**$5,617,000**	**3,341,000**	**($2,276,000)**
Revenue over Expenses	(2,140,000)	4,144,000	6,284,000
Estimated Carryovers			
Estimated Ending Fund Balance	**$75,952,000**	**$83,918,000**	**$7,966,000**

Note: Values are rounded to the thousands.

Revenue

1. **Development Impact Fees:** Development impact fees are collected from a development project within Zone 7's service area equal to the number of square feet of impervious surface created, meaning, any surface or parcel that reduces the rate of natural infiltration of storm water into the soil. The fee is $1.00 per square foot. The year-end unaudited actual is higher than budget primarily due to the ongoing new development in the City of Livermore, including Oaks Business Park, a new manufacturing/warehouse business center in city's industrial area.

2. **Investment Earnings:** Year-end unaudited actual investment earnings exceed budget reflecting the current favorable market conditions.

Expenses

3. **Labor:** Includes flood staff labor for flood expansion projects through June 30, 2025.

4. **Capital Projects:** The year-end unaudited actual is primarily made up of the Board approved $3.03M reimbursement to Dublin Crossing, LLC for construction and easements required for the Camp Park Detention Basin (Resolution No. 24-89). The year-end unaudited actuals also include professional service expenses related to the ongoing Flood Management Plan effort.

Reserves

The following table and chart compare the FY 2024-25 Amended Budget ending reserve balance to the Q4 projected ending reserve balance.

Fund 210 Reserves	FY 24-25 Amended Budget FYE	FY 24-25 Q4 Unaudited Actual
Capital Projects Reserve	$75,952,000	$83,918,000
Total Reserves	$75,952,000	$83,918,000

The Agency is in the process of developing and implementing a Flood Management Plan to direct the Agency's future flood maintenance activities and capital projects. Flood Management Plan Phase 2A professional and project management services were approved at the Board meeting on February 15, 2023.