

## NOTICE OF REGULAR MEETING OF BOARD OF DIRECTORS

DATE: Wednesday, March 18, 2026

TIME: 5:30 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](http://tv29live.org)

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 a member of the public wishes to provide comment before the meeting, please email [publiccomment@zone7water.com](mailto:publiccomment@zone7water.com) by 5:00 p.m. on the day before the Board meeting.

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 Legal Counsel – Anticipated Litigation: Significant Exposure to Litigation Pursuant to Government Code § 54956.9(d)(2): (1 potential case)
  - b. Government Code § 54957(b); Public Employee Performance Evaluation: Title: General Manager
  - c. Conference with Real Property Negotiators: Property: APNs 99-525-2, 99-550-2-3, 99-550-3-2, 99A-2700-2-5, 99A-2700-6-6, 99A-2700-9- 8, 99A-2700-10, 99A-2700-11-3, 99A-2700-12-6, 99A-2700-12-7, 99A-2420-4-13, 96-420-2, 96-420-3, 96-429-6, 99A-2701-1, 99A-2701-2, 99A-2701-3.  
Agency Negotiators: Valerie Pryor/Rebecca Smith  
Under negotiation: Price and terms
  - d. 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
  - e. Conference with Legal Counsel – Existing litigation pursuant to Government 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) Tulare Lake Basin Water Storage District v. California Department of Water Resources, Sacramento County Superior Court Case No. 24WM000006 and related cases.
  - f. 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 February 18, 2026
8. Consent Calendar
  - a. Authorize and Direct the General Manager to Sign and File a Financial Assistance Application for a Financing Agreement from the State Water Resources Control Board for the Planning, Design, and Construction of the Mocho PFAS Treatment Plant
  - b. Authorize an Agreement for Participation in Alameda County Operational Area Emergency Management Organization
  - c. Award a Contract for On-Call Well and Pump Repair Services
  - d. Approve Commercial Use of the Septic System at Rodrigue Molyneux Winery, 3053 Marina Avenue, (APNs 099-0675-008-00), Case #26-002

Recommended Action: Adopt Resolutions

9. Award a Contract for Design-Build Services and Amend Owner's Representative Support Services Contract for the Mocho PFAS Treatment Plant

Recommended Action: Adopt Resolution

10. Committees
  - a. Finance Committee Meeting Notes of February 23, 2026
11. Reports – Directors
  - a. Verbal Comments by President
  - b. Written Reports
  - c. Verbal Reports
12. Items for Future Agenda – Directors
13. Staff Reports
  - a. General Manager's Report
  - b. February Outreach Activities
  - c. Legislative Update
  - d. Monthly Water Inventory and Water Budget Update
  - e. Investment Report as of December 31, 2025
  - f. FY 2025-26 Unaudited Second Quarter Revenue and Expenditure Report

#### 14. Adjournment

15. Upcoming Board Schedule: (All meeting locations are in the Boardroom at 100 N. Canyons Pkwy., Livermore, unless otherwise noted.)
  - a. Regular Board Meeting: April 15, 2026, 7:00 p.m.

MINUTES OF THE BOARD OF DIRECTORS  
ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

REGULAR MEETING

February 18, 2026

Directors Present: Dawn Benson  
Catherine Brown  
Sandy Figuers  
Dennis Gams  
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  
Lillian Xie, Associate Civil Engineer  
Donna Fabian, Executive Assistant/Board Secretary

General Counsel: Rebecca Smith, Downey Brand

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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., Directors Benson and Palmer arrived at 6:05 p.m., and the Board adjourned at 6:39 p.m.

Item 3 – Open Session and Report Out of Closed Session

There was nothing to report out of Closed Session.

Item 4 – Pledge of Allegiance

Director Palmer led the Pledge of Allegiance.

## Item 5 – Roll Call of Directors

All Directors were present.

## Item 6 – Public Comment

There was no public comment.

## Item 7 – Minutes

Director Palmer moved to approve the minutes of the regular Board meeting held on January 21, 2026. The motion was seconded by Director Gambs and approved by a voice vote of 7-0.

## Item 8 – Consent Calendar

Director Palmer moved to approve Consent Calendar Items 8a and 8i. The motion was seconded by Director Green and approved by a roll-call vote of 7–0.

## Item 9 – Approve Reduction in the Level of Participation in the Sites Reservoir Project

Valerie Pryor, General Manager, introduced the item and explained that Zone 7 has been participating in the Sites Reservoir Project as part of its long-term water supply reliability planning efforts. Staff is recommending reducing Zone 7's level of participation. She emphasized that this recommendation is not a decision to withdraw from the project, but rather to adjust Zone 7's level of participation as the Agency evaluates a diversified portfolio of water supply projects. The Board will make a final investment decision later during the investor commitment period, after additional information becomes available, including the draft water right order and final agreements. Direction at this time would inform the 10-year Capital Improvement Program (CIP) update and upcoming two-year budget.

Lillian Xie, Associate Civil Engineer, provided an overview of the project and Zone 7's current participation level of 62,340 acre-feet of storage capacity. She explained that updated cost estimates were released in January and reflect revised construction, financing, and escalation assumptions, with costs roughly doubling since 2023. She stated that staff evaluated participation levels using Zone 7's RiverWare water supply planning model over a 20-year simulation that included four droughts and climate change factors.

Ms. Xie explained that staff analyzed maintaining the current 62,340 acre-foot allocation and reducing participation by half to 31,170 acre-feet. Portfolios combining Sites with the Delta Conveyance Project (DCP) and the Chain of Lakes Conveyance System were also evaluated. She reported that modeling showed that without additional projects, shortages occurred in 8 of 20 simulated years. Adding Sites at 31,170 acre-feet reduced shortage occurrence to one year, and increasing participation to 62,340 acre-feet further reduced the shortage amount. Portfolios combining Sites with other projects performed better overall in minimizing shortages.

Ms. Xie also reviewed system balance results, which reflect total stored water reserves across groundwater, Kern County banks, San Luis Reservoir, Lake Del Valle, and other facilities. She explained that the model accounts for conveyance limits, withdrawal constraints, evaporation, and operational factors. While increased participation in Sites improved system balance compared to no project, portfolios that reduced Sites participation and included additional projects such as DCP and Chain of Lakes showed stronger long-term sustainability and better ending system balances over the 20-year simulation.

Ms. Xie presented cost comparisons. At 62,340 acre-feet, Zone 7's share of capital costs would be approximately \$417 million, with average annual debt service of approximately \$27 million and total debt service over 46 years of approximately \$1.1 billion. At 31,170 acre-feet, capital costs would be approximately \$208 million, with average annual debt service of approximately \$14 million and total debt service over 46 years of approximately \$553 million. She noted that yield scales proportionally with participation.

Director Gambs asked whether water transfers were considered as an alternative. Ms. Pryor responded that transfers have historically been viewed as interim solutions until permanent projects are implemented and were therefore not included in this evaluation.

Director Gambs also raised questions regarding differences among storage types and delivery constraints, noting that groundwater banking, San Luis Reservoir, and Kern County storage do not function identically. Ms. Xie explained that the RiverWare model reflects operational and conveyance limitations and does not treat all storage types as equal.

At the request of Director Narum, Ms. Pryor described Zone 7's involvement in the Sites Joint Powers Authority (JPA), noting that she serves on the Reservoir Committee and that staff, including Ms. Xie and other Zone 7 personnel, participate in multiple work groups and are actively involved in shaping agreements and operational considerations.

Director Green asked about financing, grant funding, and whether costs truly scale proportionally. Ms. Pryor confirmed that current state and federal funding assumptions are reflected in the plan of finance. Ms. Xie stated that costs and yield scale proportionally with participation.

Director Green and Director Narum asked questions regarding the Chain of Lakes Conveyance System, including water quality, evaporation, treatment requirements, and estimated costs. Ms. Pryor stated that a cost estimate is being developed and will be presented at a future workshop. She noted that Sites provides new water supply, while Chain of Lakes provides storage, making direct comparisons difficult.

Director Gambs asked about the basis for the 20-year simulation period. Ms. Xie explained that the model uses the most recent hydrologic dataset available from the Sites JPA and the Department of Water Resources, adjusted for climate change and is intended to be representative rather than predictive.

Director Green expressed concern about making a decision at this time and indicated a preference for maintaining the 62,340 acre-foot level as the baseline assumption until

additional information, including potential impacts to water rates and further analysis of Chain of Lakes, is presented.

Director Palmer and Director Benson expressed support for reflecting the 31,170 acre-foot participation level in draft planning to evaluate financial flexibility for other major projects while retaining the ability to revisit the decision prior to final commitment.

Ms. Pryor outlined the upcoming schedule, including the March 4 CIP workshop and a future Chain of Lakes workshop. She explained that presenting the 31,170 acre-foot participation level in the draft CIP reflects preliminary financial analysis and what staff currently views as a prudent financial path, while emphasizing that the Board retains authority to modify that assumption prior to the final decision later in the investor escrow period.

Director Figuers asked about projected long-term demand. Ms. Xie stated that current demand is approximately 33,000 acre-feet annually, compared to projected build-out demand of approximately 55,000 acre-feet.

Director Narum moved that staff proceed with the CIP and budget workshops using the 31,170 acre-foot participation level for planning purposes, while also providing comparative information reflecting the 62,340 acre-foot level. Director Palmer seconded the motion.

Following additional discussion regarding budget implications and long-term financial impacts, the motion carried by a vote of 6-1, with Director Green opposed.

#### Item 10 – Proposed Changes to General Manager Evaluation Procedures

Director Benson reported that she attended the January 29 Administrative Committee meeting during which the Committee discussed updates to the General Manager's performance evaluation procedures. She explained that the proposed changes are intended to streamline and simplify the process, make it more concise, and align the timing of the evaluation with the General Manager's contract cycle rather than a fixed annual schedule. The revisions provide greater flexibility in how the evaluation is conducted and clarify components of the review process.

Director Benson noted that the updated procedures provide for a self-evaluation by the General Manager and allow the Board the option to include additional input mechanisms, such as employee or stakeholder surveys. The proposed revisions also clarify that performance evaluation and compensation discussions may occur at Board meetings. She emphasized the importance of identifying performance objectives tied to the Strategic Plan and the General Manager's work with member agencies, the public, and other partners. She also stated that the evaluation should recognize strengths, leadership, accomplishments, and successes, in addition to identifying areas for improvement.

Director Palmer expressed support for highlighting positive performance in the evaluation record, particularly as it relates to consideration of compensation or merit increases.

Director Gambs commented that the proposed procedures did not appear substantially different from the current process and asked for clarification regarding the changes. Director Narum stated that, when reviewed side by side, the revised procedures provide additional flexibility in what is included, at the direction of the Board, the Board President, and General Counsel.

Rebecca Smith, General Counsel, explained that the proposed revisions align with recent updates to the Board Policy on Conducting Business. She noted that the changes are primarily cleanups and streamlining efforts to ensure consistency and clarity, rather than substantive modifications to the evaluation process.

Director Benson moved to adopt the Proposed Changes to the General Manager Evaluation Procedures as presented in the Board packet. Director Palmer seconded the motion. The motion carried unanimously, 7-0.

#### Item 11 – Declaration of Fix a Leak Week March 16, 2026

Ms. Pryor presented the item and explained that the U.S. EPA WaterSense Program promotes Fix a Leak Week annually in March to raise public awareness about water waste caused by household leaks. She noted that the EPA reports the average household can waste nearly 10,000 gallons of water per year due to leaks, and that approximately 10 percent of homes have leaks that waste 90 gallons or more per day. She stated that Zone 7 supports the initiative through a public awareness campaign in coordination with retail water agencies, including social media outreach and educational information on identifying and repairing leaks.

Director Palmer moved to approve the declaration of Fix a Leak Week. Director Benson seconded the motion. The motion carried unanimously, 7-0.

#### Item 12 – Committees

There were no Board comments on the Legislative Committee, Water Resources Committee, or Administrative Committee meeting notes.

#### Item 13 – Reports - Directors

President Narum reported that she will attend Science Odyssey to present an award.

Director Palmer reported that she attended the Water Resources Committee meeting on January 27 and the ACWA Region 5 Board Meeting on January 28, with follow-up discussion at the February 9 meeting. She noted that Region 5 is planning an event in the southern portion of the region and is preparing a presentation for ACWA's Spring Conference in May, potentially focused on new water treatment technologies. She also reported attending the ACWA Board workshop and meeting in late January, the Alameda County Special Districts Association Executive Board meeting, and indicated that the upcoming Delta Conveyance Authority Board meeting will include updates on project timeline and related matters.

#### Item 14 – Items for Future Agenda – Directors

There were no requests for items for a future Agenda.

#### Item 15 – Staff Reports

Ms. Pryor highlighted items included in the written staff reports. She noted that the State Water Project allocation increased from 10 percent to 30 percent and expressed hope for additional increases. She also reported that the Stoneridge PFAS Treatment Plant received the Honor Award from the American Council of Engineering Companies of California as part of its Engineering Excellence Awards program.

President Narum suggested submitting the award information to local publications. Ms. Pryor agreed.

Director Palmer inquired about recent flooding conditions. Ms. Pryor stated that she had emailed the Board the previous day to report that, despite steady rainfall, the system was operating without issues.

#### Item 16 – Adjournment

President Narum adjourned the meeting at 8:40 p.m.

**ORIGINATING SECTION:** Integrated Planning

**CONTACT:** Elke Rank/Ken Minn

**AGENDA DATE:** March 18, 2026

**SUBJECT:** Authorize and Direct the General Manager to Sign and File a Financial Assistance Application for a Financing Agreement from the State Water Resources Control Board for the Planning, Design, and Construction of Mocho PFAS Treatment Plant

**SUMMARY:**

- This action aligns with Strategic Plan Goal C – Safe Water and helps implement Strategic Initiative #10 – Implement Mocho Wellfield PFAS Treatment Project, and with Strategic Plan Goal H – Fiscal Responsibility and implements Strategic Initiative #22 – Track and pursue state and federal funding opportunities.
- The federal Infrastructure Investment and Jobs Act appropriates \$1 billion over five years (FY 2022 to FY 2026) to the Clean Water State Revolving Fund for projects that specifically address emerging contaminants, including perfluoroalkyl and polyfluoroalkyl substances (PFAS) in wastewater, stormwater, and nonpoint source pollution. Funding is available as grants, low-interest loans, or forgivable loans (or a combination thereof). This funding requires a 50% cost share for non-disadvantaged community applicants, such as Zone 7. That cost share can be a low interest loan through the grant program, if desired, or come from other non-state sources.
- The current maximum grant funding is up to \$25,000,000, and this maximum amount may be raised to \$50,000,000.
- Eligible projects include planning, design, and construction activities that specifically address one or more emerging contaminants and that result in a water quality benefit.
- Staff has been reviewing the opportunity and finds it may be a good opportunity for Zone 7's Mocho PFAS Treatment Plant project. When additional information is available, staff will review the administrative details to ensure the forgivable loan is compatible with Zone 7's current bond covenants and other requirements. Staff expects a decision on funding by the end of calendar year 2026.
- There is a requirement for a 50 percent match. The project cost is estimated to range from \$36 to \$51 million, so the grant could range from \$18 to \$25 million.

- Staff recommends that the Board authorize and direct the General Manager to sign and file a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the Mocho PFAS Treatment Plant and to take any other actions necessary to effectuate the grant funding application, and if awarded, receipt of the grant funds.

**FUNDING:**

No funding is requested.

**RECOMMENDED ACTION:**

Adopt the attached Resolution.

**ATTACHMENT:**

Resolution

ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO. 26-

INTRODUCED BY DIRECTOR  
SECONDED BY DIRECTOR

**Authorize and Direct the General Manager to Sign and File a  
Financial Assistance Application for a Financing Agreement from the  
State Water Resources Control Board for the Planning, Design, and  
Construction of the Mocho PFAS Treatment Plant**

WHEREAS, this action aligns with Strategic Plan Goal C – Safe Water and helps implement Strategic Initiative #10 – Implement Mocho Wellfield PFAs Treatment Project, and with Strategic Plan Goal H – Fiscal Responsibility and implements Strategic Initiative #22 – Track and pursue state and federal funding opportunities; and

WHEREAS, the federal Infrastructure Investment and Jobs Act appropriates \$1 billion over five years (FY 2022 to FY 2026) to the Clean Water State Revolving Fund for projects that specifically address emerging contaminants, including perfluoroalkyl and polyfluoroalkyl substances (PFAS) in wastewater, stormwater, and nonpoint source pollution; and

WHEREAS, staff has reviewed the funding opportunity and finds it may be a good financing opportunity for Zone 7's Mocho PFAS Treatment Plant project (the "Project").

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District (the "Entity"), that the General Manager (the "Authorized Representative") or his/her designee is hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the Mocho PFAS Treatment Plant (the "Project"); and

BE IT FURTHER RESOLVED, the General Manager, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto; and

BE IT FURTHER RESOLVED, the General Manager, or his/her designee, is designated to represent the Entity in carrying out the District's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

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 March 18, 2026.

By: \_\_\_\_\_  
President, Board of Directors

**ORIGINATING SECTION:** Office of the General Manager

**CONTACT:** Chris Hentz/Valerie Pryor

**AGENDA DATE:** March 18, 2026

**SUBJECT:** Authorize an Agreement for Participation in Alameda County Operational Area Emergency Management Organization

**SUMMARY:**

- This action supports Strategic Plan Goal F – Effective Operations.
- Alameda County established the Operational Area Emergency Management Organization consistent with the California Emergency Services Act to provide a unified framework for disaster preparedness, response, recovery and mitigation. The organization includes participation of cities, special districts, and non-profit corporations across Alameda County.
- On January 16, 2019, the Zone 7 Board authorized an agreement to participate in the Emergency Management Organization, which expired on December 31, 2025. A new Agreement for Participation in Alameda County Operational Area Emergency Management Organization (Agreement) was approved by the Alameda County Board of Supervisors on January 27, 2026. The Agreement would be effective upon ratification by the General Manager through December 31, 2035, and does not require monetary compensation.
- The Agreement also establishes the Operational Area Council, which sets policies and procedures governing the Emergency Management Organization. Each party to the Agreement will designate individuals to be trained to represent their agency. Upon approval of the Agreement, the General Manager will notify Alameda County in writing with the names and titles of the Zone 7 representative and appropriate replacements.
- Staff recommends that the Board:
  - Authorize the General Manager to execute the Agreement for Participation in Alameda County Operational Area Emergency Management Organization; and
  - Authorize the General Manager or designee to participate in the Operational Area Council.

**FUNDING:**

N/A

**RECOMMENDED ACTION:**

Adopt the attached Resolution authorizing the General Manager to execute the Agreement for Participation in Alameda County Operational Area Emergency Management Organization, as approved by the Alameda County Board of Supervisors on January 27, 2026, and authorize the General Manager or designee to participate in the Operational Area Council.

**ATTACHMENTS:**

- Resolution
- Resolution from Alameda County

ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT  
BOARD OF DIRECTORS

RESOLUTION NO. 26-

INTRODUCED BY DIRECTOR  
SECONDED BY DIRECTOR

**Authorize an Agreement for Participation in Alameda County Operational Area  
Emergency Management Organization**

WHEREAS, the potential for a major catastrophe due to natural or human-caused disaster causes all government entities within Alameda County to be prepared to share resources and information among themselves as well as with the State of California in order to protect public welfare; and

WHEREAS, greater efficiency and disaster preparedness, response, recovery, and mitigation can be achieved by joining the efforts of the County of Alameda, its cities, special districts, and other public benefit non-profit corporations together in pre-disaster agreements; and

WHEREAS, the California Emergency Services Act makes reference to the "operational area" and defines it as "an intermediate level of the state emergency services organization" created to perform extraordinary functions for local governments within a county area such as strengthening mutual coordination, providing a focal point and conduit for disaster information, and assisting in the efficient management of resources; and

WHEREAS, the sharing of resources in an emergency among public agencies is coordinated under the auspices of the California Master Mutual Aid Agreement.

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 execute the Agreement for Participation in Alameda County Operational Area Emergency Management Organization, as it was approved by the Alameda County Board of Supervisors on January 27, 2026; and

BE IT FURTHER 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 or designee to participate in the Operational Area Council.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

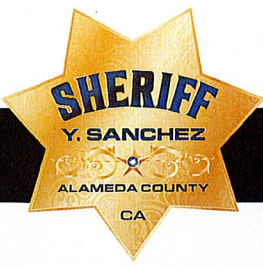
NOES:

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 March 18, 2026.

By: \_\_\_\_\_  
President, Board of Directors



AGENDA: \_\_\_\_\_ January 27, 2026

January 2, 2026

Honorable Board of Supervisors  
County Administration Building  
1221 Oak Street, Suite 536  
Oakland, CA 94612-4305

**SUBJECT: APPROVE AN AGREEMENT FOR PARTICIPATION IN THE ALAMEDA COUNTY OPERATIONAL AREA EMERGENCY MANAGEMENT ORGANIZATION**

Dear Board Members:

**RECOMMENDATION:**

Approve an agreement with cities, special districts, and nonprofit corporations to participate in the Alameda County Operational Area Emergency Management Organization, establishing a unified framework for disaster preparedness, response, recovery, and mitigation, effective upon execution by all parties through December 31, 2035, with no monetary compensation required except for reimbursement of direct costs under mutual aid agreements.

**DISCUSSION/SUMMARY:**

On May 10, 2016 (File No. 29782, Item No. 44), your Board approved an agreement that allows the County of Alameda and other local public entities to work together by sharing resources and information to protect the public.

The protection of life, property, and the environment is a shared responsibility of local, state, and federal governments. To support this responsibility, Alameda County, in collaboration with the cities of Alameda, Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Newark, Oakland, Piedmont, Pleasanton, San Leandro, and Union City, along with special districts and nonprofit corporations, has elected to enter into an agreement to promote a unified and coordinated approach among state and local agencies, facilitate mutual aid, and ensure the efficient and effective use of regional and local resources during a catastrophic event. The Alameda County Operational Area is an intermediate level of the state emergency services organization, consisting of a county and all political subdivisions within the County area.

The agreement integrates and coordinates the County's available facilities and personnel into an efficient and effective organizational structure by defining roles, policies, and general procedures in accordance with the Standardized Emergency Management System. This approach ensures the most effective and cost-efficient allocation of resources. This provides a framework for collaboration and covers essential areas including communications, equipment, medical services, financial matters, and environmental and economic resources.

This agreement has been approved as to form by County Counsel.

Honorable Board of Supervisors  
January 2, 2026  
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**FINANCING:**

No additional appropriation is required. There will be no increase in net County cost as a result of your approval.

**VISION 2036 GOALS:**

This agreement meets the 10x goal pathways of **Crime Free County**, in support of our shared visions of **Safe and Livable Communities**.

Respectfully submitted,

Signed by:  
  
7B226C003FF04FA...  
for  
Yesenia Sanchez  
Sheriff-Coroner

YS:APE:ape

**AGREEMENT FOR PARTICIPATION IN ALAMEDA COUNTY OPERATIONAL AREA  
EMERGENCY MANAGEMENT ORGANIZATION**

This Agreement is made this \_\_\_\_\_ day of \_\_\_\_\_, 2026, by and between the County of Alameda and the cities, special districts, and other public benefit non-profit corporations that are parties to this Agreement.

**WHEREAS**, the potential for a major catastrophe due to natural or manmade disaster requires all government entities within Alameda County to be prepared to share resources and information among themselves as well as with the State of California in order to protect public welfare; and

**WHEREAS**, greater efficiency and disaster preparedness response, recovery, and mitigation can be achieved by joining the efforts of the County of Alameda, the Cities, Special Districts, and other public benefit non-profit corporations together in pre-disaster agreements; and

**WHEREAS**, the California Emergency Services Act makes reference to the “operational area” and defines it as “an intermediate level of the state emergency services organization” created to perform extraordinary functions for local governments within a county area such as strengthening mutual coordination, providing a focal point and conduit for disaster information, and assisting in the efficient management of resources;

**THE COUNTY, CITIES, SPECIAL DISTRICTS, AND OTHER PUBLIC BENEFIT NON-PROFIT CORPORATIONS AGREE AS FOLLOWS:**

**1. RECOGNITION OF AND PARTICIPATION IN AN OPERATIONAL AREA EMERGENCY MANAGEMENT ORGANIZATION**

The parties to this Agreement recognize an Operational Area, as the term is defined in the California Emergency Services Act (*California Government Code §8550 et seq.*) which designates an intermediate level of organization, cooperation, and planning between public entities within Alameda County boundaries.

The County of Alameda, cities, special districts, and other public benefit non-profit corporations that are parties to this Agreement shall participate in this organizational structure, which is a partnership for a systematic approach for exchanging disaster intelligence, mutual aid requests, and resource requests in emergencies and also to provide emergency preparedness on a day-to-day basis through cooperative training and exercise activities.

The Operational Area Emergency Management Organization will be the primary contact point during an emergency in Alameda County for sharing disaster intelligence among local agencies and between the Operational Area Emergency Management Organization and state and federal agencies requesting information.

The Operational Area Emergency Management Organization will assist parties to this agreement to share resources before, during, and after an emergency, as well as to prepare, respond, and recover from disasters that strike Alameda County. The Operational Area Emergency Management Organization will prioritize competing needs according to the policies and procedures approved by the Operational Area Council.

0-2026-7

Each of the parties to this Agreement will designate individuals to be trained to represent their agency in the Operational Area Emergency Management Organization. The training will be an orientation on the policies and procedures of the Operational Area Emergency Management Organization. Each party to this Agreement will also designate, in writing, a line of succession of officials who are empowered to represent the party to the Operational Area Emergency Management Organization.

## 2. CONSIDERATION

The consideration under this Agreement is the mutual advantage of protection afforded to each of the parties to this Agreement. There shall not be any monetary compensation required from any to another party as a condition of assistance provided under the agreement, except for reimbursement of direct costs as designated in mutual aid agreements. Nothing in this agreement shall be construed as altering any preexisting disaster response agreements between the parties.

## 3. STANDARDIZED EMERGENCY MANAGEMENT SYSTEM

The Operational Area Emergency Management Organization and its policies and procedures will be regulated by the Standardized Emergency Management System as stated in *California Government Code §8607*, and its implementing regulations, *California Code of Regulations, Title 19, Division 2, Office of Emergency Services, Standardized Emergency Management System*, and guidelines. The incident command system and a multi-agency coordination system, as described in those regulations and guidelines, will be used for coordination and direction of the parties to this agreement participating in emergency efforts. The *Alameda County Emergency Operations Plan* shall be the primary method and criteria used to conduct Operational Area Emergency Operations Center activities.

## 4. OPERATIONAL AREA COORDINATOR

The Sheriff/Director of Emergency Services is the Operational Area Coordinator. It is the responsibility of the Operational Area Coordinator to oversee the operation of the Operational Area Emergency Management Organization and to reasonably interpret the terms of this agreement.

It is the responsibility of the Operational Area Coordinator to encourage equal representation by parties to the agreement on a day-to-day basis and to include representatives of affected parties to this agreement and mutual aid coordinators in the operational decision making before, during, and after a disaster strikes Alameda County.

## 5. COUNCIL

An Operational Area Council is hereby established consisting of a representational membership of the party jurisdictions to this Agreement. The Council shall include one voting representative from each of the following:

- a. The President of the **Board of Supervisors**, or his/her designee;
- b. The **Sheriff/Director of Emergency Services**, or his/her designated alternate;
- c. The **Alameda County Administrator**, or his/her designated alternate;
- d. The **County Agency Heads** having primary functional responsibilities in a disaster, or their designated alternates;

Including, but not limited to:

1. Auditor-Controller
  2. Fire Department
  3. General Services Agency
  4. Alameda County Health
  5. Human Resource Services
  6. Public Works Agency
  7. Sheriff's Office
  8. Social Services Agency
- e. The President of the **Alameda County Emergency Managers' Association**, or his/her designated alternate;
- f. The President of the **Alameda County Fire Chiefs' Association**, or his/her designated alternate;
- g. The President of the **Alameda County Chiefs of Police and Sheriff's Association**, or his/her designated alternate;
- h. A City Manager of a **North County City**, or his/her designated alternate, chosen annually by the cities of Alameda, Albany, Berkeley, Emeryville, Oakland, and Piedmont to represent them in the Council;
- i. A City Manager of a **South County City**, or his/her designated alternate, chosen annually by the cities of Fremont, Hayward, Newark, San Leandro, and Union City to represent them in the Council;
- j. A City Manager of an **East County City**, or his/her designated alternate, chosen annually by the cities of Dublin, Livermore, and Pleasanton to represent them in the Council;
- k. A General Manager of a **Regional District** based in Alameda County, or his/her designated alternate, chosen annually by participating regional districts, defined as a special district having service areas in more than one county, to represent them in the Council;
- l. A General Manager of a **Special District**, or his/her designated alternate, chosen annually by participating special districts having their entire service area within the boundaries of Alameda County to represent them in the Council;
- m. The **Alameda County Superintendent of Schools**, or his/her designated alternate, to represent the school districts of Alameda County;
- n. A Director of a **Public Benefit Non-profit Corporation**, or his/her designated alternate, chosen annually by the Alameda County Voluntary Organizations Active in Disaster executive committee to represent them in the Council;
- o. A Chief Executive Officer or President, or his/her designated alternate, of a **private sector company** doing business in this county that is an active member of the Emergency Managers' Association of Alameda County and is selected annually by the Operational Area Coordinator; and

- p. Such representatives of **other organizations**, either civic, business, labor, veterans, professional or other organizations having an official group or organization having disaster responsibility and may be appointed by the Operational Area Coordinator.

It is the responsibility of the Operational Area Council to set the policies and procedures for the governing of the Operational Area Emergency Management Organization and to review and approve recommendations for changes to these policies and procedures on an annual basis. The Operational Area Council will also serve as the Alameda County Civil Defense and Disaster Council, as described in the *Alameda County Administrative Code, Chapter 2.118*. The County of Alameda will supply staff support for the Operational Area Council.

## **6. PROVISION OF FACILITIES AND SUPPORT**

The County of Alameda shall provide its emergency operations center as the site for the Operational Area Emergency Management Organization. The County of Alameda will provide support staff for the emergency operations center and all reasonable supplies for the Operational Area Emergency Management Organization during actual activations, drills, and exercises. All parties to this Agreement may provide representatives for decision making and liaison to operational elements of the Operational Area Emergency Management Organization when activated.

The Operational Area Emergency Management Organization will facilitate the mutual aid systems used by local agencies to assist each other in a disaster with the resources necessary to save lives, mitigate property loss, and meet the basic needs of the people.

## **7. TERM OF AGREEMENT**

This Agreement shall be effective from the date executed by all parties until December 31, 2035. This Agreement may be terminated prior to the conclusion of the term by mutual agreement of a majority of the member parties.

## **8. WITHDRAWAL OF PARTY**

Any party to this Agreement may withdraw as a party to this Agreement prior to the termination of the term of this Agreement upon giving thirty (30) days prior written notice to all other parties.

## **9. ADDITIONAL PARTIES**

Additional parties, who are public entities within the geographical boundaries of Alameda County, may join in this Agreement and become a member party upon execution of an Exhibit to this Agreement in which the entity agrees to be subject to the conditions and terms of this Agreement. The executed Exhibit shall become a part of this Agreement automatically after the expiration of thirty (30) days following notification by the new party to all other parties to the execution of the exhibit. Thereafter, the entity shall be considered to be a party of this Agreement unless the entity withdraws as provided herein. Provided however, in the event any existing party to the Agreement gives all other parties notice of its objection to the addition of the particular entity becoming a member to this Agreement within the thirty (30) day notice period, the addition of such party to this Agreement shall require the consent of a two-thirds majority to the then member parties.

**10. INDEMNIFICATION AND HOLD HARMLESS**

Each of the parties agree to indemnify and hold the other parties harmless and waives all claims for compensation for any loss, damage, personal injury, or death incurred in consequences of the acts or omissions of the indemnifying parties' own employees and agents in the performance of this Agreement.

It is the intent of the parties that, where negligence is determined to have been contributory, principles of comparative fault will be followed, and each party shall bear the proportionate costs of any loss, damage, expense, and liability attributable to the party's negligence.

**11. SALARIES, EMPLOYMENT AND WORKERS COMPENSATION BENEFITS**

The salaries, employment and workers compensation benefits of each employee participating in the Operational Area Emergency Management Organization shall be the responsibility of the party employing the individual. It is understood that each party's employees have no rights, benefits, or special employment status conferred by reason of this Agreement.

**IN WITNESS WHEREOF THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT AS FOLLOWS:**

COUNTY OF ALAMEDA,  
a political subdivision of the  
State of California

By David G. Haubert  
DAVID HAUBERT, President  
Board of Supervisors

I hereby certify under penalty of perjury that the President of the Board of Supervisors was duly authorized to execute this document on behalf of the County of Alameda by a majority vote of the Board on 11/27/2026; and that a copy has been delivered to the President as provided by Government Code section 25103.

ATTEST: BRITNEY DAVIS  
Clerk, Board of Supervisors  
Alameda County, California

By Harvey Funch, Deputy  
Clerk, Board of Supervisors

**APPROVED AS TO FORM AND CONTENT:**

DONNA ZIEGLER  
County Counsel

By Clay Christianson  
Clay Christianson  
Deputy County Counsel



**ORIGINATING SECTION:** Water Supply Engineering  
**CONTACT:** Shanna Norton/Mona Olmsted

**AGENDA DATE:** March 18, 2026

**SUBJECT:** Award a Contract for On-Call Well and Pump Repair Services

**SUMMARY:**

- To support Zone 7's mission to deliver safe, reliable, efficient, and sustainable water, Zone 7 implements projects to repair and maintain groundwater wells. These projects are in support of Strategic Plan Goal B – Reliable Water and Infrastructure, Initiative 6 – Continue to effectively implement infrastructure projects in the Water System Capital Improvement Plan.
- Zone 7 maintains a water supply reliability strategy that balances surface water and groundwater resources. Groundwater production wells meet approximately 20 percent of Zone 7's water demand on average, and the continued operation of the wellfield system is essential for meeting the Agency's water supply reliability goals, particularly during dry years and droughts. Maintaining production from wells that are not affected by per- and poly-fluoroalkyl substances (PFAS) or that include treatment plants is particularly important given the loss of production of the Mocho Wellfield that is shut down due to presence of PFAS.
- Zone 7 has a need for timely, specialized on-call well repair and maintenance contracting services to ensure the reliable operation of its groundwater production wells. Zone 7's previous contract for these services expired on December 31, 2025.
- In accordance with Zone 7's Purchasing Policy, a Notice Inviting Bids was published for on-call well repair and maintenance services. On February 27, 2026, three bids were received, ranging from \$635,583 to \$1,026,147. Staff reviewed the bids and determined that Bartley Pump PM LLC was the lowest responsive and responsible bidder with a bid amount of \$635,583.
- Over the previous five years, well repair and maintenance expenditures have totaled approximately \$920,000. The proposed five-year not-to-exceed contract amount of \$1,000,000 is consistent with historical expenditures when accounting for inflationary adjustments to labor and materials.
- Staff recommends that the Board authorize the General Manager to execute and amend, as needed, a construction contract with Bartley Pump PM LLC in an amount not-to-exceed

\$700,000 (includes a 10% contingency), for the approximate three-year period starting April 1, 2026, and ending on June 30, 2029, with the option to amend the contract, based on satisfactory performance, for up to two additional one-year terms (July 1, 2029, to June 30, 2031), for a total five-year not-to-exceed contract amount of \$1,000,000 (includes 10% contingency).

**FUNDING:**

Funding is available in the Adopted Two-Year Budget for Fiscal Years 2024–2026 for Fund 120 – Water Enterprise Renewal/Replacement & System-Wide Improvements. Funding in future 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. 26-

INTRODUCED BY DIRECTOR  
SECONDED BY DIRECTOR

**Award a Contract for On-Call Well and Pump Repair Services**

WHEREAS, to support Zone 7's mission to deliver safe, reliable, efficient, and sustainable water, and in support of Strategic Plan Initiative 6 – Continue to effectively implement infrastructure projects in the Water System Capital Improvement Plan, Zone 7 implements improvements, modifications, and renewal/replacement projects under the Capital Improvement Program; and

WHEREAS, Zone 7 requires on-call well and pump repair services to ensure the reliable operation of its groundwater production wells; and

WHEREAS, in accordance with Zone 7's Purchasing Policy, specifications and addendum were developed and advertised for formal bidding; and

WHEREAS, three bids were received at 2:00 p.m. on February 27, 2026; and

WHEREAS, the lowest responsive and responsible bid received is the bid submitted by Bartley Pump PM LLC, with a bid amount of \$635,583.

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 approve the specifications and addendum for the On-Call Well and Pump Repair Services contract; and

BE IT FURTHER RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District accepts the bid of the lowest responsive and responsible bidder, Bartley Pump PM LLC, and authorizes the General Manager to execute and amend as needed, a three-year contract starting on April 1, 2026 and ending on June 30, 2029, with Bartley Pump PM LLC, in an amount not-to-exceed \$700,000, which includes a 10% contingency; and

BE IT FURTHER 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 extend the contract based on satisfactory performance for up to two additional one-year terms (July 1, 2029, to June 30, 2031) in accordance with the Contract Documents, for a total five-year not-to-exceed contract amount of \$1,000,000, which includes a 10% contingency.

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 March 18, 2026.

By: \_\_\_\_\_  
President, Board of Directors



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

**ORIGINATING SECTION:** Groundwater  
**CONTACT:** Colleen Winey/Michelle Parent

**AGENDA DATE:** March 18, 2026

**SUBJECT:** Approve Commercial Use of the Septic System at Rodrigue Molyneaux Winery, 3053 Marina Avenue, (APNs 099-0675-008-00), Case #26-002

**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.
- Rodrigue Molyneaux Winery has applied for Zone 7's approval for the commercial use of a septic system, also referred to as an onsite wastewater treatment system for a winery.
- The proposed project is on a 5.12-acre property at 3053 Marina Avenue in Livermore (APNs 099-0675-008-00). The parcel overlies the Upland Area of the Livermore Valley Groundwater Basin.
- The property is presently used as a residence and vineyard. The proposed project is to expand land use to include wine tasting and wine processing.
- 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 find that the proposed use conforms to the Zone 7 Wastewater Management Policy, which 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 find that the proposed use also conforms with the 2015 Zone 7 Nutrient Management Plan requirement of 1.0 RRE/5 Acres maximum loading requirement for properties outside areas of concern for high nitrates and Best Management Practices for wine processing.

- Staff concluded that this project's total septic system wastewater loading is estimated to be 1.0 RRE/5 Acres, which is equal to the 1.0 RRE/5 Acres maximum allowable loading.
- Based on the board-approved Zone 7 Septic Tank Review Decision Tree, the project is generally acceptable and deemed to be an exception to Resolution 1165, and staff recommends it for the Board's approval.

**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. 26-

INTRODUCED BY DIRECTOR  
SECONDED BY DIRECTOR

**Authorization for the Commercial Use of Septic System at Rodrigue Molyneaux Winery, 3053 Marina Avenue, (APN 099-0675-008-00), Case #26-002**

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 groundwater basin, any of its fringe areas or subbasins, or any body of groundwater hydrologically connected with the main basin 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 January 26, 2026, Rodrigue Molyneaux Winery seeks the Zone 7 Board's approval for use of a septic tank system for a residence, ADU, and wine tasting on a 5.12-acre parcel located at 3053 Marina Avenue, near Livermore (APNs 099-0675-008-00); and

WHEREAS, the parcel overlies the Upland Area of the Livermore Valley Groundwater Basin and is not within a high-nitrates area of concern; and

WHEREAS, the total septic system wastewater loading generated onsite by all residential and commercial uses under this application, will be equal to the maximum

wastewater loading of 1.0 rural residential equivalence per five acres (1.0 RRE/5 Acres) for parcels outside 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 1.0 RRE per 5 Acres of nitrogen loading for properties outside 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:

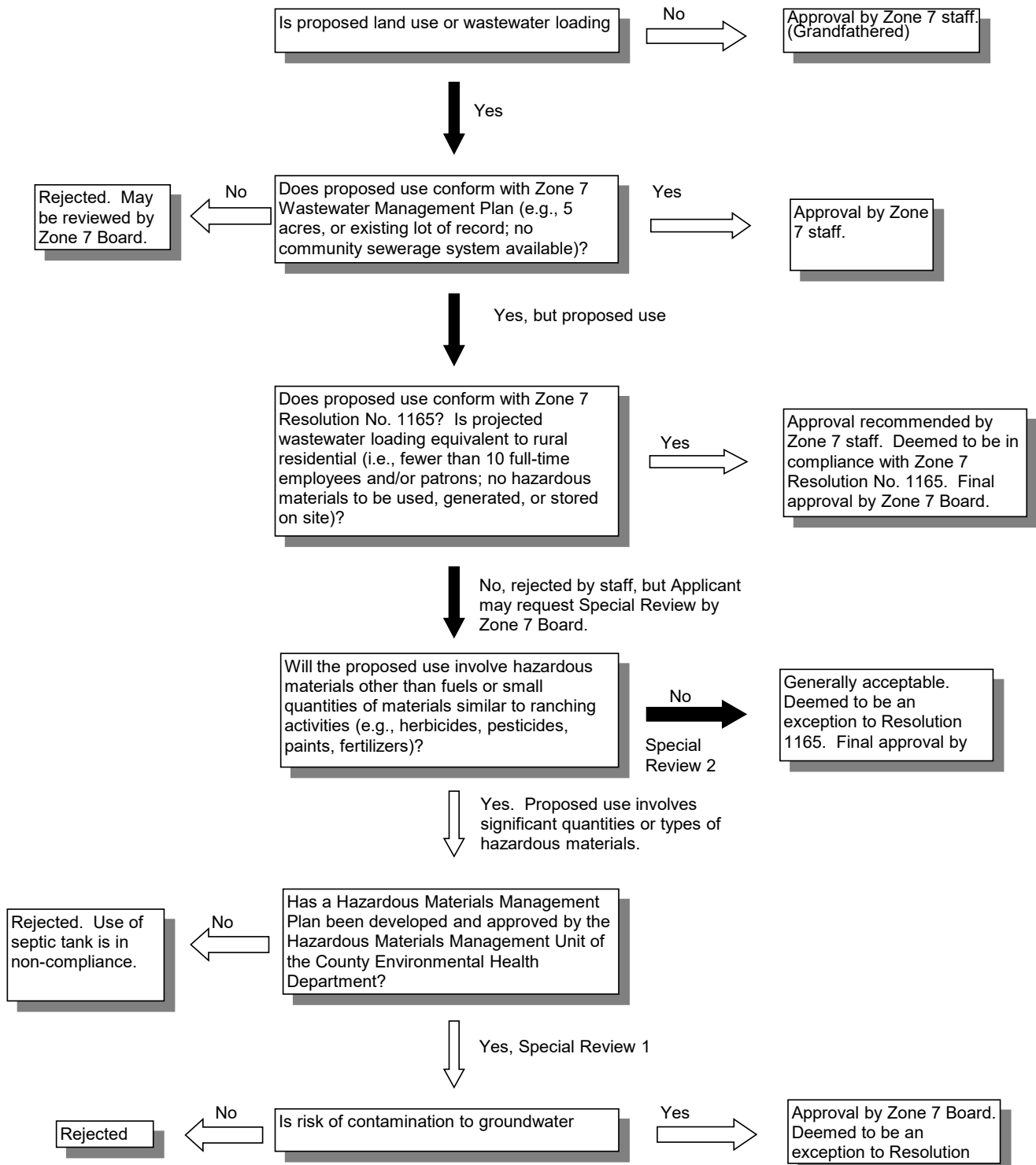
I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on March 18, 2026.

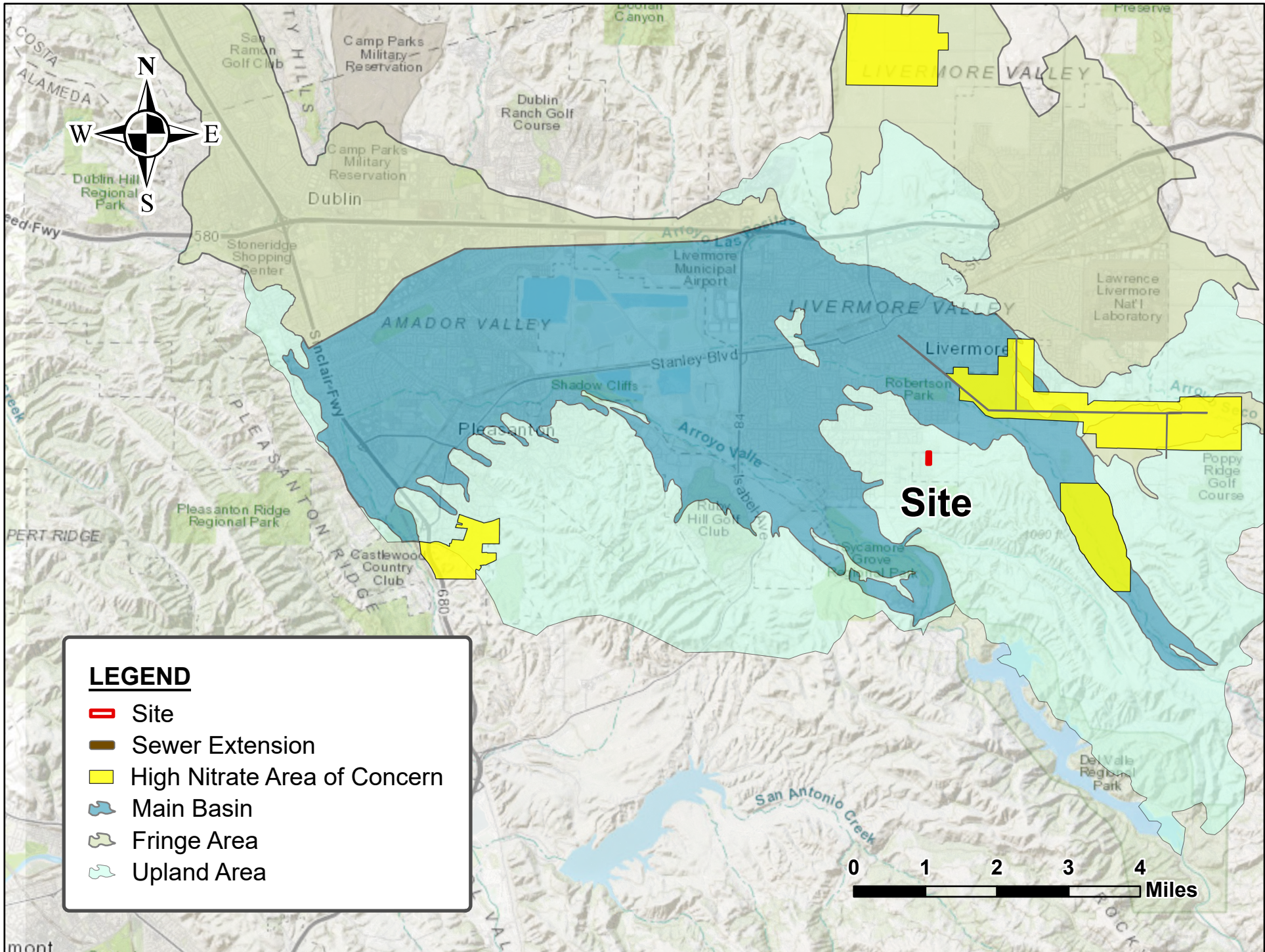
By: \_\_\_\_\_  
President, Board of Directors

# Zone 7 Septic Tank Approval Decision Tree

Applicant: <b>Rodrigue Molyneaux Winery</b>	Case No.: <b>26-002</b>
Site Address: <b>3053 Marina Avenue, Livermore</b>	
Date: <b>February 17, 2026</b>	

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





**LEGEND**

- ▭ Site
- Sewer Extension
- ▭ High Nitrate Area of Concern
- ▭ Main Basin
- ▭ Fringe Area
- ▭ Upland Area

0 1 2 3 4 Miles

**ORIGINATING SECTION:** Water Supply Engineering  
**CONTACT:** Mariza Sibal/Brandon Woods

**AGENDA DATE:** March 18, 2026

**SUBJECT:** Award a Contract for Design-Build Services and Amend Owner's Representative Support Services Contract for the Mocho PFAS Treatment Plant

**SUMMARY:**

- To support Zone 7's mission to deliver safe, reliable, efficient, and sustainable water for the Tri-Valley, Zone 7 will implement the Mocho PFAS Treatment Plant. This Project directly fulfills Strategic Plan Goal C – Safe Water, Initiative 10 – Implement the Mocho PFAS Treatment Project.
- In April 2024, the U.S. EPA finalized new National Primary Drinking Water Regulations for PFAS, establishing Maximum Contaminant Levels for per- and polyfluoroalkyl substances (PFAS), expected to become enforceable in 2031. The Mocho production wells were removed from service due to elevated PFAS concentrations. This loss of 16 million gallons per day of production, or approximately 40 percent of Zone 7's groundwater production, also resulted in the shutdown of the Mocho Groundwater Demineralization Plant (MGDP), which treats water from the Mocho wellfield.
- The objectives of the Mocho PFAS Treatment Plant are to remove PFAS from Mocho wellfield supplies to meet drinking water standards, restore production capacity and water supply reliability, restore operation of the MGDP to manage salt in the groundwater basin, and reduce PFAS concentrations in the MGDP concentrate discharge. The project scope includes construction of the Mocho PFAS Treatment Plant (MTP), replacement of well pumps and electrical switchgear, and replacement and expansion of the MGDP reverse osmosis membranes. The total estimated project cost is \$55 million, and Zone 7 will pursue external funding opportunities to offset financial impacts.
- To accelerate project delivery and reduce implementation risks, Zone 7 will implement the Project using the Progressive Design-Build (PDB) delivery model, a collaborative approach that integrates design and construction under a single contract. The staff report below summarizes the PDB contracting approach, scope of work, competitive procurement of the Design-Build contractor, additional Owner's Representative services, funding and anticipated future Board actions.
- Staff recommends that the Board authorize the General Manager to negotiate, execute, and amend, as needed, a contract with Garney Pacific, Inc. for PDB Pre-Construction phase services in an amount not-to-exceed \$4,200,000, which includes a 10% contingency.

- Additionally, staff recommends that the Board authorize the General Manager to amend contract A25-101-CAR with Carollo Engineers, Inc., for Owner's Representative support services through the Guaranteed Maximum Price execution in an amount of \$1,670,000, which includes a 10% contingency, increasing the total contract to a not-to-exceed amount of \$2,413,000.
- The Pre-Construction phase is anticipated to continue through approximately March 2027, as outlined in the report below. Contingent upon reaching an agreed-upon price, staff would recommend Board approval of an amendment to the PDB contract authorizing Garney Pacific to proceed with construction.

## **DISCUSSION:**

The Project will be implemented using PDB, a collaborative project delivery model that integrates both design and construction services under a single contract. Under this approach, the Design-Builder, Zone 7 and its Owner Representative work collaboratively to select the best-value project configuration, reduce project risks, and improve overall cost and schedule certainty while maintaining transparent and competitive pricing. PDB also enables early procurement of long-lead items, such as electrical equipment and PFAS treatment vessels, both of which are critical to meeting the project schedule.

The PDB project delivery model is implemented in two phases, and includes an "Off-Ramp" provision as described below:

- **Pre-Construction Phase:** The Design-Builder collaborates with Zone 7 and its Owner Representative to establish facility design criteria, evaluate alternatives, conduct value engineering and constructability reviews, refine cost estimates and prepare 60 percent design. The Pre-Construction Phase culminates in the development of a Guaranteed Maximum Price (GMP) for final design and construction. The GMP is prepared using open-book pricing, including competitive bidding of materials, equipment and subcontractor work.
- **Construction Phase:** Assuming successful negotiation of a GMP, Board authorization will be requested to amend the contract to complete final design and construction using the agreed pricing structure and GMP.
- **Off-Ramp Provision:** In the event Zone 7 and the Design-Builder cannot reach mutual agreement on the GMP for the Construction Phase, Zone 7 may exercise an off-ramp, which entails finalizing the design and separately competitively procuring a construction contractor. All field data, design and other work completed, and equipment procured would be retained by Zone 7.

### Progressive-Design Build Pre-Construction Services

Staff conducted a competitive procurement process to select a PDB team for the Project, consistent with Zone 7's Purchasing Policy. Request for Proposals for PDB services for the

Mocho PFAS Treatment Plant Project was issued on September 29, 2025, and proposals were received from six firms.

The selection committee, comprised of staff from multiple departments, evaluated proposals based on qualifications and technical criteria, including cost considerations. Based on this evaluation and interviews, the selection committee identified Garney Pacific, Inc. as the highest-ranked firm.

Garney Pacific, Inc. (Garney Pacific), in partnership with Hazen and Sawyer, demonstrated a thorough understanding of the Project's technical and regulatory requirements and has extensive experience in PDB projects, PFAS treatment, and the implementation of complex water infrastructure projects. Garney Pacific's proposed fee structure and markups are consistent with industry benchmarks and provided the lowest cost of the highest-rated firms. Garney Pacific was unanimously recommended to provide the PDB services.

Garney Pacific's Pre-Construction Phase scope includes advancing the facility design to the 60 percent level of completion, performing value engineering and constructability reviews, and developing cost models to support preparation of the GMP for final design and construction services. Staff recommends that the Board authorize the General Manager to negotiate, execute, and amend, as needed, a contract with Garney Pacific, Inc. for Pre-Construction Phase services in an amount not to exceed \$4,200,000, which includes a 10% contingency.

Pre-construction phase services are expected to be completed by March 2027. Staff anticipates returning to the Board to request authorization for the early procurement of long-lead equipment and materials. Additional anticipated Board approvals are outlined below in the Project Schedule.

### Owner's Representative Support Services

Owner's Representative services are required to provide specialty technical expertise and cost confirmation, including reviewing design and procurement deliverables; reviewing early equipment and material procurements; identifying and mitigating risks; assisting with GMP evaluation and negotiation; and supporting right-of-way acquisition.

In April 2025, the Board authorized a contract with Carollo to provide Owner's Representative services to assist staff with the procurement of the PDB contract for a total not-to-exceed amount of \$657,000, which included a 10% contingency. In September 2025, the Board authorized the first amendment to support additional planned improvements for the Mocho system and right-of-way acquisition services, for a total not-to-exceed amount of \$743,000.

A second amendment to the Owner's Representative support services contract is required to provide support services during the Pre-Construction Phase in an amount of \$1,670,000, which includes a 10% contingency, increasing the total contract to a not-to-exceed amount of \$2,413,000. Board approval of Construction Phase services will be requested at the same time as BOD approval of the GMP for construction.

Grant Funding

Zone 7 previously secured a \$1,226,170 grant through the Integrated Regional Water Management (IRWM) Program to modernize the electrical infrastructure serving Mocho Wells 3 and 4. Because this infrastructure is integral to the operation of the new MTP, these improvements have been incorporated into the overall MTP project. The grant funding agreement is active through October 2027.

Staff is pursuing additional grant funding opportunities, including up to \$25 million from the Emerging Contaminant Forgivable Loan program through the State Revolving Fund. Contract provisions have been incorporated to ensure compliance with Build America, Buy America, and Disadvantaged Business Enterprise funding requirements. Authorization to pursue this funding is considered under Agenda Item 8a.

**PROJECT SCHEDULE:**

The Project schedule targets the MTP to be in operation by Summer 2028. To support this objective, the PDB team will develop early works packages to purchase long-lead electrical gear during the Pre-Construction Phase to shorten the schedule and meet the electrical gear modernization grant funding timeline.

The table below summarizes the key milestones and projected completion dates necessary to achieve the schedule:

<b>Milestone Description</b>	<b>Estimated Date</b>
Board Authorization of PDB Preconstruction Services	March 2026
Board Authorization to Pursue Emerging Contaminant Forgivable Loan	March 2026
Board Adoption of CEQA IS/MND	May 2026
Board Authorization of Early Procurement Packages	August 2026
Board Authorization of GMP and Additional Owner’s Representative Services	March 2027
PFAS Treatment Plant Operational	Summer 2028

**FUNDING:**

Funding is included in the Adopted Two-Year Budget for FY 2024-26 for Fund 120 – Water Enterprise Renewal/Replacement and System-Wide Improvements. Funding for subsequent years will be requested in the upcoming FY 2026-28 Two-Year Budget Request.

**RECOMMENDED ACTION:** Adopt the attached Resolutions

**ATTACHMENTS:**

- Resolution – Award of Progressive Design-Build Services Contract
- Resolution – Amend Owner’s Representative Services Contract

ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO. 26-

INTRODUCED BY DIRECTOR

SECONDED BY DIRECTOR

**Award a Contract for Progressive Design-Build Services for  
the Mocho PFAS Treatment Plant**

WHEREAS, Zone 7 has detected per- and polyfluoroalkyl substances (PFAS) in the Mocho wellfield; and

WHEREAS, based on the April 10, 2024, US EPA regulations, Zone 7 needs additional treatment for the Mocho wellfield, beyond blending and processing through the Mocho Groundwater Demineralization Plant, to meet the PFAS regulatory standards; and

WHEREAS, the Mocho PFAS Treatment Plant will remove PFAS from Mocho wellfield supplies to meet drinking water standards, restore production capacity and water supply reliability, and increase production through the Mocho Groundwater Demineralization Plant; and

WHEREAS, the proposed action directly fulfills Strategic Plan Goal C – Safe Water, Initiative 10 – Implement the Mocho PFAS Treatment Project; and

WHEREAS, Zone 7 desires to retain a Progressive Design-Build firm to design and construct the Mocho PFAS Treatment Plant; and

WHEREAS, in accordance with Zone 7's Purchasing Policy, a competitive procurement process was completed to select a Progressive Design-Build firm to provide these services; and

WHEREAS, a Request for Proposals was issued on September 29, 2025, and six proposals were received; and

WHEREAS, the selection committee reviewed the proposals and conducted interviews, evaluated the proposers based upon the capabilities requested and criteria outlined in the Request for Proposals, and determined that Garney Pacific, Inc., was the best qualified firm to provide the requested services.

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 needed, a professional services agreement with Garney Pacific, Inc., for Progressive Design-Build Pre-Construction services for the Mocho PFAS Treatment Plant Project, in an amount not to exceed \$4,200,000, which includes a 10% contingency.

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 March 18, 2026.

By: \_\_\_\_\_  
President, Board of Directors

ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO. 26-

INTRODUCED BY DIRECTOR  
SECONDED BY DIRECTOR

**Amend the Owner's Representative Support Services Contract  
for the Mocho PFAS Treatment Plant**

WHEREAS, the proposed action directly fulfills Strategic Plan Goal C – Safe Water, Initiative 10 – Implement the Mocho PFAS Treatment Project; and

WHEREAS, on April 16, 2025, the Board authorized a contract with Carollo Engineers, Inc., to provide Owner's Representative support services for the Mocho PFAS Treatment Plant in an amount not to exceed \$657,000; and

WHEREAS, on September 17, 2025, the Board authorized an amendment with Carollo Engineers, Inc., for additional scope items within the project and to complete property appraisals, in an amount of \$86,000, for a total not-to-exceed amount of \$743,000; and

WHEREAS, Carollo Engineers, Inc.'s performance under contract A25-101-CAR has been to the Agency's satisfaction; and

WHEREAS, an amendment to the contract is needed for Owner's Representative services during the Pre-Construction Phase of Mocho PFAS Treatment Plant Project.

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 amend the existing contract A25-101-CAR with Carollo Engineers, Inc., for Owner's Representative support services for the Mocho PFAS Treatment Plant Project in an amount of \$1,670,000, which includes a 10% contingency, for a total not-to-exceed amount of \$2,413,000.

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 March 18, 2026.

By: \_\_\_\_\_  
President, Board of Directors

ZONE 7 BOARD OF DIRECTORS  
SUMMARY NOTES OF THE FINANCE COMMITTEE

February 23, 2026  
2:00 p.m.

Directors Present: Dawn Benson  
Kathy Narum  
Sarah Palmer

Staff Present: Valerie Pryor, General Manager  
Osborn Solitei, Treasurer/Assistant General Manager – Finance  
Lizzie Foss, Financial Analyst  
JaVia Green, Financial Analyst  
Nzinga Arrington, Administrative Assistant

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### **1. Call Meeting to Order**

Director Benson called the meeting to order at 2:00 p.m.

### **2. Public Comment on Items Not on the Agenda**

There were no public comments.

### **3. Investment Report as of December 31, 2025**

Justin Resuello from PFM Asset Management presented the Investment Report for the quarter ending December 31, 2025.

Mr. Resuello provided an economic overview, noting moderating inflation trends, stable unemployment levels, and continued consumer resilience despite ongoing geopolitical and fiscal uncertainties. He reviewed GDP performance, labor market conditions, and Federal Reserve policy updates, including recent rate reductions and market expectations for potential future cuts. He also discussed tightening credit spreads, corporate debt issuance, and the relative strength of the U.S. economy.

Mr. Resuello explained that Treasury yields have stabilized compared to prior quarters, which may support consideration of modestly extending portfolio duration later in the year if market conditions remain stable. He emphasized that the portfolio strategy continues to prioritize safety and liquidity, followed by incremental yield generation.

Committee members asked questions regarding sustainability of current investment earnings, whether to hold or adjust positions in light of anticipated rate changes, allowable credit ratings, corporate allocation limits, and portfolio management fees. Mr. Resuello confirmed that corporate holdings remain below policy limits, credit quality remains strong (primarily AA or higher), and that the portfolio remains in full compliance with the Agency's Investment

Policy and California Government Code. He advised that any changes to duration would be evaluated cautiously and in coordination with staff.

The portfolio totaled approximately \$168.4 million at quarter end, an increase from approximately \$151.4 million one year prior. Duration was slightly above benchmark. Yield at cost increased year-over-year to 4.16 percent. Mr. Resuello noted continued diversification from U.S. Treasuries into allowable asset-backed securities and corporate bonds to enhance yield while maintaining compliance. Mr. Resuello also confirmed that, during the reporting period, the accounts managed by PFM Asset Management were in compliance with the Agency's investment policy and applicable guidelines.

Quarterly interest earnings totaled approximately \$1.58 million, with continued strong performance relative to prior periods. Since inception in March 2022, the portfolio has generated over \$15 million in earnings. Fees were approximately 0.02 percent per quarter (about seven basis points annually).

Mr. Resuello concluded by recommending that the Agency stay the course with the current strategy, noting that the portfolio remains aligned with policy guardrails, maintains liquidity, and can be adjusted if market conditions materially change.

#### **4. FY 2025-26 Unaudited Second Quarter Revenue & Expenditure Report**

Lizzie Foss, Financial Analyst, presented the FY 2025-26 Unaudited Second Quarter Revenue and Expenditure Report, noting that the item aligns with Strategic Goal H (Fiscal Responsibility) and Initiative 21 to effectively manage the Agency's financial resources.

Ms. Foss highlighted several positive developments, including the increase in the State Water Project allocation for calendar year 2026 from 10% to 30%, completion of the FY 2024-25 Annual Comprehensive Financial Report with a clean audit opinion, completion of Phase 1 of the U.S. Army Corps High Priority Repair Projects, and the Agency's credit rating upgrade to AAA by Fitch, resulting in two AAA ratings. She also reported that projected year-end fund balances indicate all reserves are in compliance with the Agency's reserve policy.

Ms. Foss reviewed the Agency's six budgeted funds and provided highlights and major variances for each fund.

For Fund 100 (Water Enterprise Operations), projected net revenue of approximately \$5.4 million is expected to increase the year-end fund balance. Contributing factors include lower-than-budgeted capital transfers due to inflation impacts on project costs, professional services expenditures trending under budget, lower water production and Delta conveyance costs, higher-than-budgeted investment earnings, and approximately \$1.5 million in revenue from the West Side Water District transfer.

Discussion included questions regarding the impact of Pleasanton's potential return to groundwater use. Staff explained that water sales were conservatively budgeted and that no rate adjustments would be required as a result.

Staff reviewed Fund 100 reserve allocations, noting that the operating, emergency, and economic uncertainty reserves are projected to meet targets set forth in the reserve policy. The Water Reliability Reserve is expected to grow to approximately \$13 million. The pension reserve is projected to end the year at approximately \$2.19 million, with an additional one-time budgeted contribution to be reflected in the following fiscal year. Committee members discussed maintaining approximately \$1.5 million in unallocated contingency funds consistent with prior practice.

For Fund 120 (Water Renewal/Replacement and System-wide Improvements), projected net revenue of approximately \$7.9 million will increase the fund balance to approximately \$87 million. The increase is primarily attributable to the multi-year nature of capital projects and \$1.3 million in unbudgeted settlement revenue from DuPont. Ms. Foss highlighted several near-term capital projects progressing toward completion.

Fund 110 (State Water Facilities), funded primarily through the property tax override, is projected to generate approximately \$1.5 million in net revenue, with revenues and expenses trending close to budget. Investment earnings are exceeding conservative projections.

Fund 130 (Water Enterprise Capital Expansion) is projected to generate approximately \$7 million in net revenue, increasing the fund balance to approximately \$85 million. Revenues are exceeding budget due to higher-than-anticipated water connection fees from ongoing development. Expenses include labor, debt service, and multi-year capital expansion projects.

Fund 200 (Flood Protection Operations) is projected to generate approximately \$3 million in net revenue. The higher-than-anticipated year-end balance reflects delays in approximately \$15 million of planned flood-related capital work due to permitting constraints. Ms. Foss mentioned that these projects are expected to be re-appropriated in the coming two-year budget and completed in future fiscal periods. Staff noted completion of Phase 1 of the U.S. Army Corps rehabilitation project and provided updates on additional flood repair and stabilization projects.

Fund 210 (Flood Protection Development Impact Fee) is projected to generate approximately \$3.5 million in net revenue, driven primarily by development-related fee revenue and investment earnings, with expenses trending slightly below budget.

Ms. Foss concluded that overall revenues are trending favorably, expenditures remain well managed, and projected year-end balances demonstrate continued fiscal stability across all funds.

## **5. Adjournment**

Director Benson adjourned the meeting at 3:21 p.m.

March 2026 Board meeting report - Palmer

### **DCA Board meeting 02-19-2026**

MWD DCA Director MacMillan was appointed as the legislative liaison for DCA, a position formerly filled by Miguel Luna before he left the DCA Board

### **DWR Environmental Program Manager's Status Update**

**Summary:** The Department of Water Resources (DWR) is proceeding with permitting activities for the approved single-tunnel solution to modernize and rehabilitate the State Water Project infrastructure in the Delta.

**Detailed Report:** DWR is continuing to take the next steps to pursue numerous state and federal permits or authorizations.

**Water Rights.** The SWB hearing process on DWR's petition to add two new points of diversion has completed the first phase (DWR's presentation of case-in-chief) and second phase (protestants' presentation of their case-in-chief). DWR submitted rebuttal testimony on December 22 and will provide oral testimony on hearing dates February 20, 23, 24, 25, and March 2, 5, 6, 23, 24, & 25, 2026.

**Endangered Species Act.** DWR is working with the U.S. Fish and Wildlife Service and National Marine Fisheries Service to complete consultation efforts on project construction for the federal Endangered Species Act.

**California Endangered Species Act.** DWR has submitted an application for an amendment to the project's Incidental Take Permit to address several updates, including the addition of burrowing owl.

**Delta Plan Consistency.** DWR submitted the certification of consistency with the Delta Plan to the Delta Stewardship Council (DSC) on October 17, and ten appeals were received on November 17. The **DSC will conduct a hearing on the appeals on February 26-27, 2026** and has sixty days to issue a decision.

**ORIGINATING SECTION:** Office of the General Manager

**CONTACT:** Valerie Pryor

**AGENDA DATE:** March 18, 2026

**SUBJECT:** General Manager's Report

**SUMMARY:**

The following highlights a few of the key activities which occurred last month. Also attached is a list of contracts executed by the General Manager (GM) during February.

Integrated Water Resources:

The State Water Project allocation remains at 30%. In February, treated water supply was comprised of 64% surface water and 36% groundwater.

The California Department of Water Resources (DWR) released the attached fact sheet highlighting the importance of the State Water Project to California.

**Delta Conveyance Project (DCP):** DWR submitted its Certification for Delta Plan Consistency for the DCP to the Delta Stewardship Council (DSC) on October 17. Ten appeals were submitted, which were heard by the DSC on February 26 and 27. Director Palmer made public comments to the Council on February 27. The DSC is expected to issue a final decision on the certification in the coming months. This is a key permit for the DCP. The Change in Point of Diversion hearings before the Administrative Hearings Office resumed on February 20 with the petitioner's rebuttal testimony. There were three hearing dates in February and six dates planned for March.

**Sites Reservoir:** The Sites Reservoir Committee and Authority Board had their regular meeting on February 20. Bernard Construction Company, the selected Construction Manager at Risk (CMAR) for the Reservoir Package, has been negotiating a Project Labor Agreement that aligns with the Sites Authority's Construction Workforce Policy. The agreement is expected to be finalized in March. The next CMAR procurement is for the Conveyance Package and is expected to be finalized by Quarter 1 of 2027. The Authority continues to advance the key agreements for the project, including the Contract for Administration of Public Benefits, Facility Usage Agreements, Exchange Agreement, and Benefits and Obligations Contract.

## Engineering and Water Quality:

**Stoneridge Well Outage:** Stoneridge Well recently experienced pressure surges and unplanned shutdowns, posing a significant risk to equipment and water supply operations. To ensure this supply is restored before spring demands increase, the General Manager declared an emergency and authorized a construction contract for emergency well repair services. The contractor has since removed and inspected the pump and well components and identified mechanical instability and corrosion at critical connections within the well assembly. Repairs are underway, including pump restoration and replacement of damaged well column piping, pump shaft couplings, and internal bearing retainers. Pending successful completion, the Stoneridge well is expected to return to service by the end of March.

**Asset Management Plan Update and Ten-Year Capital Improvement Plan (CIP):** The draft CIP was presented at the Board workshop on March 4. The final CIP will be brought to the regular Board meeting in April for formal adoption.

**2023 Storm Damage Repairs:** Zone 7 will address 99 repair sites across Dublin, Pleasanton, and Livermore over the next two years to restore flood protection infrastructure damaged during the 2023 storms. The 2026 summer schedule includes 67 sites, 21 of which are led by the U.S. Army Corps of Engineers (USACE), followed by 32 sites in summer 2027, including 20 USACE-led sites. Staff is preparing for the summer 2026 construction schedule by securing construction management and engineering support services and finalizing permits and regulatory approvals.

## Monthly List of GM Contracts

**February 2026**

<u>Contracts</u>	<u>Amount</u>	<u>Purpose</u>
Sacramento Sewer and Drain	\$25,000	As-Needed Plumbing Parts and Repair Services
<b>Total February 2026</b>	<b>\$25,000</b>	

# the STATE WATER PROJECT

BEYOND THE TAP



The **State Water Project** was developed in the 1960s to support the California economy. Its 705-mile-long network of reservoirs, pipelines, canals, levees and powerplants from Butte County to Riverside County provide water supply, flood control and recreation. Most Californians and nearly nine million jobs depend upon the project. As climate change threatens up to 10% of California's water supply by 2040, the SWP is essential for capturing and storing water from major storm events and adapting to a hotter, drier future.

## BY THE NUMBERS

The SWP generates enough energy to power

**1.2M**  
HOMES



**27M**

Californians receiving affordable water

*8 million in disadvantaged communities*

**\$2.3T**

size of economy supported by the State Water Project



**3.7M**  
people visit SWP facilities per year



**1.2 M**  
People protected from flood risk

*34% in disadvantaged communities*

**\$19B**

in agricultural production supported

## PREVENTING SALT CONTAMINATION

The State Water Project manages flow to control salinity in the Sacramento-San Joaquin Delta, a region with a billion-dollar-a-year farm economy. Salinity control is crucial to ensure that water quality in the Delta is suitable for various uses, including agricultural and human consumption and habitat preservation.

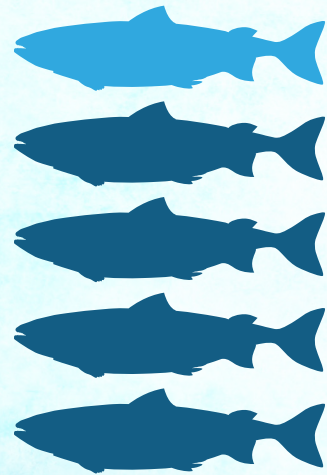




Oroville Dam contributes to flood protection for approximately 850,000 Sacramento Valley residents along the Feather and Sacramento Rivers, Yolo Bypass, and a few smaller tributaries.



1 in 5 salmon and steelhead caught in the Pacific Ocean are fish bred at the Feather River Fish Hatchery.



**ENVIRONMENTAL PROTECTION AND RESTORATION**

An estimated 20 percent of the ocean sport and commercial catch comes from fish reared at the State Water Project's Feather River Fish Hatchery. Fish bred at the Feather River Fish Hatchery play a crucial role in sustaining salmon and steelhead runs in the Feather and Sacramento Rivers.

The State Water Project prioritizes healthy natural ecosystems. The SWP is working to restore nearly 11,000 acres of tidal wetlands and other kinds of native fish habitat in the Sacramento-San Joaquin Delta.

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

**AGENDA DATE:** March 18, 2026

**SUBJECT:** February 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.

**Communications Updates:**

**2025 Annual Report:** The 2024–2025 Online Annual Report was completed and published on January 14, 2026. Community outreach to promote the report is currently underway and includes website display ads, newsletter articles, and social media posts.

**Board of Directors — Board Member Seat Opening:** The team ensured the community was informed of the current Board seat opening and upcoming election through a press release, newsletter, and social media channels.

**Groundwater Awareness Week:** The team is preparing materials for this year's Groundwater Awareness Week (March 8-14), including a new video highlighting ion exchange for PFAS removal, and monitoring all three facilities. A complete summary will be provided next month.

**Fix-a-Leak Week:** The team is preparing materials for the upcoming Fix-a-Leak Week (March 16-26), including promotional graphics and updated activity sheets to go alongside daily Water-Wise Wendy conservation videos. A complete summary will be provided next month.

**Press:**

- Staff sent out the [February e-newsletter](#)
- Staff issued one press release in February
  - February 23: [Notice of Zone 7 Board of Directors Election](#)

## **Digital Overview:**

### **Website Overview**

- **Users:** 7,050 (-28.7%) | Page Views: 17,516 (-11.6%) | Sessions: 9,000 (-27.1%)
- **Top Pages:** Page not found (3,933), Homepage (2,456), Join WWW 2025 FALW Challenge (897)
- **Traffic Sources:** Direct (4,042), Google Organic (2,047), FB AD (873)
- **Highlights:** Despite lower volume, engagement rate increased significantly to 48.26% (+39.0%), indicating stronger traffic quality and more intentional user behavior, while still remaining higher year over year.
- **NOTE:** The domain change for Zone 7 continues to cause redirect glitches on certain URLs - digital deployment and the team need to troubleshoot.

### **Social Media Snapshot**

- **Facebook:** 1,355 followers | 11 posts | 6,955 impressions
- **LinkedIn:** 943 followers (+28 followers in last 30 days) | 310 Page Views | 1,747 impressions
- **YouTube:** 406 views, top video "Ground Water Recharge - Wondrous World of Water"
- **Highlight:** Zone 7's YouTube channel showed a significant increase in total minutes viewed during February, with viewers specifically interested in capital project updates and water treatment.

### **Email Outreach (Mailchimp)**

- **Eblasts:** Sent: 3 | Deliveries: 1,909 | Avg. Open Rate: 20.4% | Clicks: 45
- **Highlight:** Open rates remain above industry average, though domain redirect, email filtering, and authentication challenges continue to impact engagement overall.

### **Key Takeaways**

- Audience engagement remains high with increased interest in water treatment processes and capital project updates.
- Paid social campaigns will help drive traffic and engagement as we enter GWAW and FALW.
- Social media promotion of water treatment and capital projects has caused an increase in YouTube views on videos in each respective playlist.

## **Outreach Updates**

### **Schools' Program:**

In February, staff delivered 58 classroom lessons throughout the Zone 7 service area, reaching students across multiple school districts. An additional 75 classroom visits are scheduled for March. These presentations introduce key water science concepts, explore the region's watershed, and highlight Zone 7's role in managing and protecting local water resources.

## **In-Person Events:**

### **Arroyo Seco Elementary School Family Science Night**

*Thursday, February 19, 2026 | 5:30 p.m.—7:30 p.m. | Arroyo Seco Elementary School, Livermore*

Zone 7 once again participated in this Family Science Night. The event was well attended, with students and families engaged throughout the evening. Staff interacted with approximately 160 participants, as the table remained consistently busy. Discussions focused on water awareness and the movement of water through the local watershed.

### **Granada High School Career Fair**

*Wednesday, February 25, 2026 | 9:30 a.m.—12:30 p.m. | Granada High School, Livermore*

Zone 7 hosted a booth featuring information about careers in the water industry. Students stopped by to learn about career opportunities at the agency and the educational pathways that lead to these positions. Representatives from Human Resources and a Water Treatment Plant Operator were on hand to answer questions and share their experiences working in the field. The booth remained active throughout the event, with staff interacting with approximately 275 students.

### **Livermore Science Odyssey**

*Thursday, February 26, 2026 | 5:00 p.m.—7:00 p.m. | Joe Michell School, Livermore*

Zone 7 joined the Livermore Unified School District and other Livermore organizations in celebrating science at this district-wide annual event. Participation included two components: hosting an informational table during the community science fair and serving as judges for water-focused student projects. Two Zone 7 staff members and Ms. Riley served as judges for the One Water Award, which is presented in partnership with the City of Pleasanton and California Water Service. Zone 7 President Narum presented the awards to the winning students alongside a California Water Service representative and the Vice Mayor of Livermore. The event was lively and well attended, and the Zone 7 table remained consistently busy throughout the evening. Many students were excited to see Zone 7 staff and eagerly shared with their parents that they had previously learned from Ms. Riley and Mrs. Wilkins during classroom visits.

### **Fredericksen Pi Night**

*Thursday, March 19, 2026 | 6:00 p.m.—8:00 p.m. | Fredericksen Elementary School, Dublin*

Zone 7 Water Agency will participate in Fredericksen Elementary School's Pi Night, a community event celebrating math and science. Staff will attend with the floodplain model and engage with students and their families while discussing how water moves through the Upper Alameda Creek Watershed.

### **Smith Elementary School Family Science Night**

*Friday, March 20, 2026 | 4:00 p.m.—6:00 p.m. | Smith Elementary School, Livermore*

Staff look forward to engaging with Smith Elementary students and their families. Participants will explore water and watershed concepts through hands-on demonstrations and conversation.

### **Earth Day Turf Conversion Event**

*Saturday, April 18, 2026 | 10:00 a.m.—12:00 p.m. | TBD, Livermore*

Zone 7 Water Agency will participate in the Earth Day Turf Conversion Event hosted by the City of Livermore. Staff will share information about native gardens, lawn conversion, and available rebate programs. Zone 7 will also provide snacks for volunteers participating in the turf conversion project.

### **Tri-Valley Innovation Fair**

*Saturday, April 18, 2026 | 10:00 a.m.—5:00 p.m. | Alameda County Fairgrounds, Pleasanton*

Zone 7 will be represented at this hands-on event with over 50 exhibitors. We will host a staffed booth with interactive activities, our usual giveaways, and information about water-saving rebates. This high-traffic event provides an opportunity to reach a broad cross-section of the Tri-Valley community.

### **LARPD Earth Day**

*Sunday, April 19, 2026 | 10:00 a.m.—2:00 p.m. | Sycamore Grove Park, Livermore*

Zone 7 Water Agency will participate in the Livermore Area Recreation and Park District Earth Day Celebration at the native garden near the Wetmore Entrance of Sycamore Grove Park. Activities will include ranger-led nature walks, invasive plant removal, tours of the native garden, crafts, and informational booths hosted by local organizations. Zone 7 will host a booth featuring an interactive activity focused on watershed awareness and water resources.

### **Ag & Enviro Adventure Day**

*Tuesday, April 21, 2026 | 8:00 a.m.—3:00 p.m. | Livermore High School, Livermore*

For the tenth year, Zone 7 will participate in this organized event for Livermore third graders with an interactive movement-based activity which highlights our watershed, its connection with the community, and Zone 7's roles.

### **City of Pleasanton Earth Day Celebration**

*Saturday, April 25, 2026 | 10:00 a.m.—1:00 p.m. | Pleasanton Library, 400 Old Bernal Avenue, Pleasanton*

The City of Pleasanton "invites community members of all ages to learn about environmental issues and sustainability solutions in an interactive, family-friendly atmosphere." Zone 7 will host an interactive booth encouraging water-saving practices inside and outside of the home. Families will have the opportunity to ask questions and receive practical conservation tips.

### **Altamont Creek Earth Day Family Science Night**

*Tuesday, April 28, 2026 | 6:00 p.m.—7:30 p.m. | Altamont Creek Elementary School, Livermore*

Zone 7 has been asked to participate alongside other exhibitors at this STEAM-focused event. We look forward to engaging with Altamont Creek Elementary students and their family members. Activities will support science learning while highlighting local water and watershed topics.

### **A Day by the Water**

*Saturday, May 2, 2026 | 10:00 a.m.—3:00 p.m. | Del Valle Regional Park, Livermore*  
Community booths will be set up outside the Del Valle Visitor Center highlighting the importance of water in our valley. Zone 7 will join other organizations in interacting with families to explore and celebrate all things water. This outdoor setting allows for informal learning and meaningful community conversations about water.

### **Bring Back the Natives Tour**

*Sunday, May 3, 2026 | 10:00 a.m.—5:00 p.m. | TBD*  
Zone 7 Water Agency will host a booth at a residence featured on the tour to educate visitors about native plants and lawn conversion rebate programs. The booth will include rebate information, a children's activity, and snacks for volunteers.

For the most up-to-date schedule of public events, please visit [www.zone7water.com/calendar](http://www.zone7water.com/calendar).

Zone 7 will continue to expand community engagement opportunities through educational programming, digital outreach, and participation in regional events throughout the spring season.

### **ATTACHMENT:**

February Website Dashboard

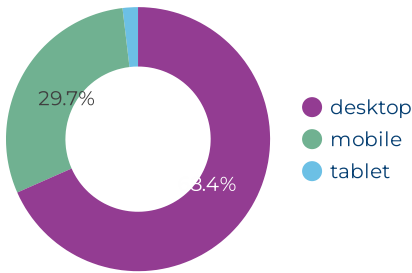
## Highlights:



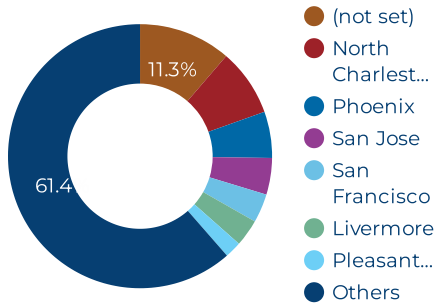
## Most visited pages on the website - users and pageviews

	Page title	Views ▾	Total users
1.	Page not found - Zone 7 Water Agency	3,933	605
2.	Zone 7 Water Agency - the Tri-Valley region's water wholesaler	2,456	1,884
3.	Join Water Wise Wendy's 2025 Fix-A-Leak Challenge! - Zone 7 Water Agency	897	857
4.	Login required - Zone 7 Water Agency	683	627
5.	Mocho PFAS Treatment Plant Initial Study / Mitigated Negative Declaration (IS/MND) - Zone 7 Water Agency	668	630
6.	Lessons Middle School - Groundwater - Zone 7 Water Agency	615	296
7.	Board Meetings - Zone 7 Water Agency	546	417
8.	Careers - Zone 7 Water Agency	482	300
9.	Contact Us - Zone 7 Water Agency	327	190
10.	Construction & Business Opportunities - Zone 7 Water Agency	322	168

## Device Type:



## Users by City

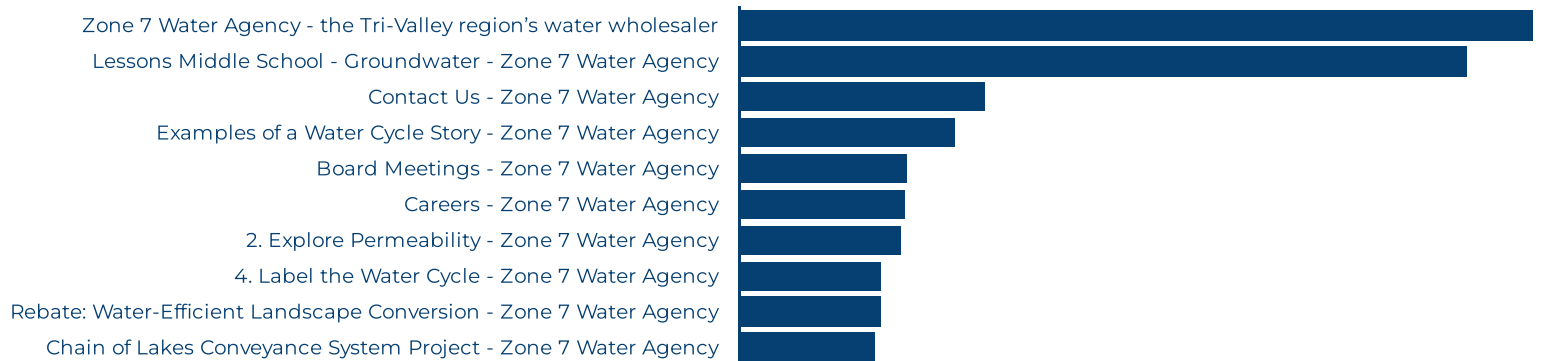


## Acquisition source/medium - where traffic sessions come from

	Session source	Session medium	Sessions ▾
1.	(direct)	(none)	4,042
2.	google	organic	2,047
3.	FB	AD	873
4.	ig	paid	582
5.	bing	organic	317
6.	fb	paid	187
7.	horrycountyschools.scho...	referral	134
8.	(not set)	(not set)	78
9.	cityofpleasantonca.gov	referral	51
10.	google	cpc	50

1 - 100 / 107 < >

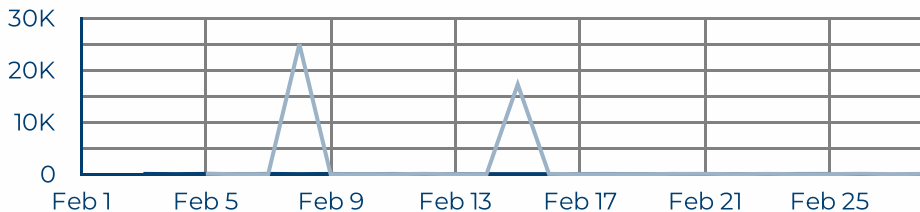
## Pages with the most time spent by users



## Facebook Analytics

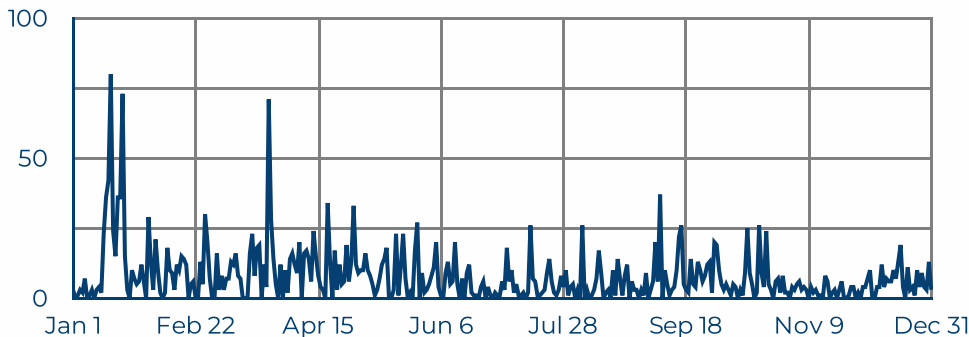
Total Posts	Engagement	Page Followers	Impressions
11 0.0%	53.71 ↑ 0.1%	1,355 0.0%	7,797 ↓ -96.9%

Facebook Daily Average Reach per Post

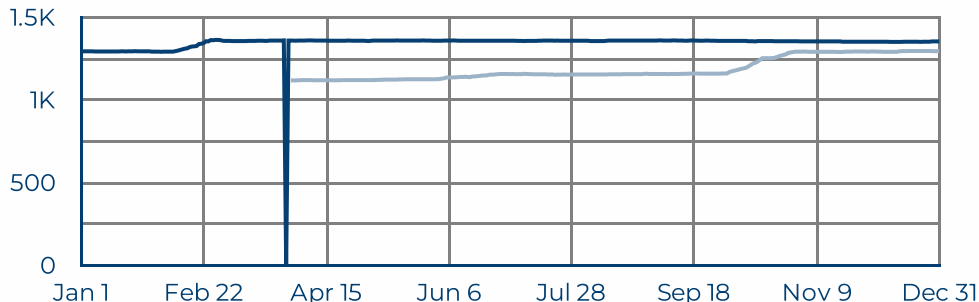


Paid Reach	Organic Reach	Total Reach
0 ↓ -100.0%	357 ↓ -68.7%	357 ↓ -99.2%

Facebook Page Visits



Facebook Page Followers - Year-to-Date Growth



## Mailchimp Delivery Analytics

Total Eblasts Sent	3
Total Deliveries	1,909
Avg. Open Rate %	20.4%
Total Clicks	45
New Signups	0

## Monthly YouTube Performance

Total Views	406
Watch Time (Minutes)	683.07
Average View Duration	00:00:58

### Top Five Videos of Month

Video Title	Views
Groundwater Recharge - Wondrous World of Water	69
Wondrous World of Water - Ion Exchange PFAS Treatment	46
Zone 7 Chain of Lakes Conveyance System Project	45
Wondrous World of Water - Ozone Treatment	40
Z7 Chain of Lakes Ion Exchange Vessel Installation	21

## Insights & Opportunities

### Website Summary:

February experienced a planned normalization in traffic following January's elevated campaign momentum. Website views totaled **17,516 (-11.6%)**, while sessions declined to **9.0K (-27.1%)**. New users decreased to **6,687 (-29.5%)**, and total users fell to **7,050 (-28.7%)**, reflecting reduced paid media activity and seasonal stabilization. Despite lower volume, engagement rate increased significantly to **48.26% (+39.0%)**, indicating stronger traffic quality and more intentional user behavior. Notably, the "Page Not Found" page ranked as the top visited page (3,933 views), signaling a technical or linking issue that likely impacted user experience and traffic flow. Educational pages, board meetings, and infrastructure-related content—including the Mocho PFAS Treatment Plant study—continued to perform well, demonstrating sustained interest in water quality, governance, and capital projects.

### Website Highlights:

- **Higher Traffic Quality:** Engagement rate rose sharply, suggesting improved visitor intent despite lower session volume.
- **Technical Optimization Needed:** High traffic to the "Page not Found" presents an immediate opportunity to correct broken links or redirects.
- **Organic & Direct Traffic Leadership:** Direct (4,042 sessions) and Google organic (2,047 sessions) led acquisition as paid efforts declined.
- **Education Content Momentum:** Groundwater lessons and water cycle pages ranked among most visited and highest time-spent pages.

### Social Media Summary:

February reflected a full pullback from paid social campaigns, with Paid Reach dropping to **0 (-100%)**. As a result, total reach declined to **353 (-99.2%)**, and impressions decreased to **5,694 (-97.7%)**. However, posting volume remained steady at **11 posts (0.0%)**, and engagement held at **54.44 (+1.4%)**, demonstrating continued audience interaction despite minimal distribution. Page followers remained stable at **1,355 (0.0%)**, signaling audience retention but limited growth without amplification. This month clearly illustrates the platform's dependency on paid support for scale, while organic engagement efficiency remains relatively stable.

### Social Media Highlights:

- **Engagement Stability:** Engagement remained consistent even with significantly reduced reach.
- **Paid Media Impact:** Elimination of paid campaigns directly correlated with reduced visibility.
- **Retention Over Growth:** Follower count held steady, though growth plateaued without paid support.
- **Organic Strategy Opportunity:** Increased focus on shareable educational or infrastructure storytelling may help rebuild organic reach.

**Mailchimp Summary:** Email performance softened in January following December's high engagement levels. A total of **5 eblasts** were delivered to **3,273 recipients**. The average **open rate declined to 24.4%**, reflecting post-holiday inbox fatigue and seasonal engagement patterns. Total clicks decreased to 124, and no new signups were recorded during the month.

- **Key Metrics:** Eblasts Sent: 3 Total Deliveries: 1909 Average Open Rate: 20.4% Total Clicks: 45 New Signups: 0

### YouTube Summary:

Email activity decreased slightly in February, with 3 eblasts with a total 1,909 recipients. The average open rate was 20.4%, reflecting a modest decline compared to January and suggesting continued seasonal softening in inbox engagement. Total clicks reached 45, indicating lower overall interaction, likely influenced by the reduced number of campaigns sent during the month. No new signups were recorded, signaling an opportunity to strengthen list growth strategies and improve call-to-action placement within campaigns.

### YouTube Highlights

- **Watch Time Growth:** Significant increase in total minutes viewed.
- **Improved Retention:** Average view duration rose to nearly one minute.
- **Infrastructure Content Leads:** Infrastructure project and treatment videos outperformed general content.
- **Education Alignment Opportunity:** Continued expansion of groundwater, PFAS, and treatment storytelling aligns with demonstrated audience demand.

### Opportunities For Spring 2026

1. **Resolve Technical Barriers:** Immediately address 404 page traffic through redirect audits and broken link corrections to protect engagement gains.
2. **Reintroduce Targeted Paid Campaigns:** Strategic, even with lower-budget paid support could efficiently rebuild reach while preserving engagement quality.
3. **Integrate Video + Website Strategy:** Embed high-performing infrastructure videos into related website pages to increase session duration and cross-channel engagement.
4. **Leverage Education Traffic:** Expand groundwater and classroom resource content to capture sustained interest from referral and school traffic.

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

**AGENDA DATE:** March 18, 2026

**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 began the second year of their two-year legislative cycle on January 5, 2026.

The deadline for new bill introduction was February 20, 2026. Zone 7, along with organizations such as the Association of California Water Agencies (ACWA), California Municipal Utilities Association (CMUA) and California Special Districts Association (CSDA), continue to review bill language as it becomes available. The attached list of bills is a synopsis of those identified to have a nexus to Zone 7 interests. Other bills of potential interest are monitored on behalf of Zone 7 by SKV Associates and reviewed with staff regularly for consideration of positions – including bills reviewed by the organizations mentioned above.

Of note, two bills have received a support position from Zone 7 in accordance with the Legislative Platform:

- AB35 (Alvarez) that supports streamlining grant disbursement to recipients under Proposition 4 – Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024;
- SB872 (McNerney) that identifies the Greenhouse Gas Reduction Fund as the source of funding for repairs to State aqueducts and levees that have resulted from climate change impacts, such as subsidence, and proposes \$150,000,000 be appropriated annually through fiscal year 2047.

A third bill in the list for trespass, AB 1632 (Johnson), is being monitored because of its nexus to encampments and vandalism on flood control channels and other Zone 7 owned lands. No position is recommended at this time.

**RECOMMENDED ACTION:** Information only.

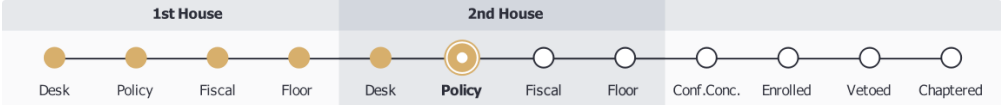
**ATTACHMENT:** Zone 7 Water Agency Board Report

**AB 35 (Alvarez, D) Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024: Administrative Procedure Act: exemption: program guidelines and selection criteria.**

**Current Text:** 01/14/2026 - Amended [HTML](#) [PDF](#)

**Last Amended:** 01/14/2026

**Status:** 01/27/2026 - In Senate. Read first time. To Com. on RLS. for assignment.



**Location:** 01/27/2026 - Senate Rules

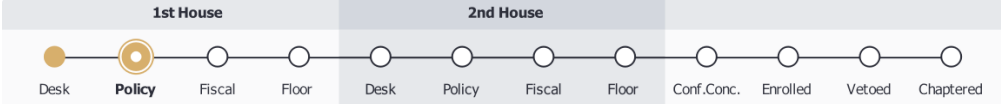
**Summary:** The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, approved by the voters as Proposition 4 at the November 5, 2024, statewide general election, authorized the issuance of bonds in the amount of \$10,000,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, drought, flood, and water resilience, wildfire and forest resilience, coastal resilience, extreme heat mitigation, biodiversity and nature-based climate solutions, climate-smart, sustainable, and resilient farms, ranches, and working lands, park creation and outdoor access, and clean air programs. Current law authorizes certain regulations needed to effectuate or implement programs of the act to be adopted as emergency regulations in accordance with the Administrative Procedure Act, as provided. Current law requires the emergency regulations to be filed with the Office of Administrative Law and requires the emergency regulations to remain in effect until repealed or amended by the adopting state agency. This bill, notwithstanding the above, would exempt the adoption of regulations needed to effectuate or implement programs of the act from the requirements of the Administrative Procedure Act, as provided. The bill would require a state entity that receives funding to administer a competitive grant program established using the Administrative Procedure Act exemption to do certain things, including develop draft project solicitation and evaluation guidelines and to submit those guidelines to the Secretary of the Natural Resources Agency, except as provided. The bill would require the Secretary of the Natural Resources Agency to post an electronic form of the guidelines submitted by a state entity and the subsequent verifications on the Natural Resources Agency’s internet website. (Based on 01/14/2026 text)

**Position:** Support

**AB 1632 (Johnson, R) Trespass.**

**Current Text:** 01/26/2026 - Introduced [HTML](#) [PDF](#)

**Status:** 03/06/2026 - In committee: Set, second hearing. Hearing canceled at the request of author.



**Location:** 02/09/2026 - Assembly Public Safety

**Summary:** Current law makes it a misdemeanor to commit the crime of trespass, which includes refusing or failing to leave land, real property, or structures belonging to, or lawfully occupied by, another and not open to the general public upon being requested to leave by a peace officer at the request of the owner, the owner’s agent, or the person in lawful possession and upon being informed by the peace officer that they are acting at the request of the owner, the owner’s agent, or the person in lawful possession. Current law requires the owner, the owner’s agent, or the person in lawful possession to make a separate request to the peace officer on each occasion when the peace officer’s assistance in dealing with a trespass is requested, except that a single request for peace officer assistance may be made for a period not to exceed 12 months when there is a fire hazard to the premises or property, the owner is absent from the premises or property, or the premises or property is closed to the public and posted as being closed. Current law requires the requester to inform the law enforcement agency to which the request was made when the assistance is no longer desired before the 12-month period expires. Current law also authorizes a single request for assistance to be made and submitted electronically, in a notarized form provided by the law enforcement agency, to a peace officer, and authorizes local governments to accept electronic submissions of requests for peace officer assistance. This bill would remove the requirement that the submitted form described above be notarized. The bill would extend the maximum period of time for a request for peace officer assistance from 12 months to 3 years for requests pertaining to a fire hazard, the owner’s absence, or the property being closed to the public. (Based on 01/26/2026 text)

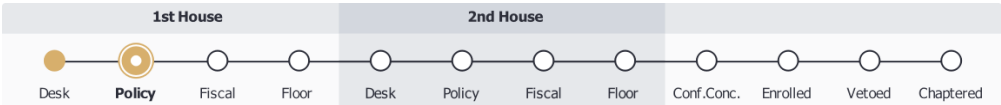
**Position:** Monitor

**SB 872 (McNerney, D) Climate change: funding priorities.**

**Current Text:** 02/18/2026 - Amended [HTML](#) [PDF](#)

**Last Amended:** 02/18/2026

**Status:** 03/03/2026 - Set for hearing March 18.



**Location:** 02/26/2026 - Senate Environmental Quality

**Summary:** The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include in its regulation of

those emissions the use of market-based compliance mechanisms. Current law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund. Current law requires, beginning with 2026–27 fiscal year, that funds be allocated according to a specified priority, including, among other things, that the sum of \$1,000,000,000 be reserved for appropriation by the Legislature in the annual Budget Act or other statute. This bill would require, of that amount, beginning with the 2026–27 fiscal year and continuing through the 2046–47 fiscal year, the sum of \$150,000,000 be appropriated annually, to the Department of Water Resources for the purposes of supporting capital improvements to restore the original design water conveyance capacity for state water conveyance systems impacted operationally by land subsidence, and the sum of \$150,000,000 be appropriated annually to the Sacramento-San Joaquin Delta Conservancy for projects in the Sacramento-San Joaquin Delta to improve existing levees, as specified, thereby making an appropriation. (Based on 02/18/2026 text)

**Position:** Support

**Notes:**

Subsidence/conveyance funding

Delta levee repairs

Total Measures: 3

Total Tracking Forms: 3

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

**AGENDA DATE:** March 18, 2026

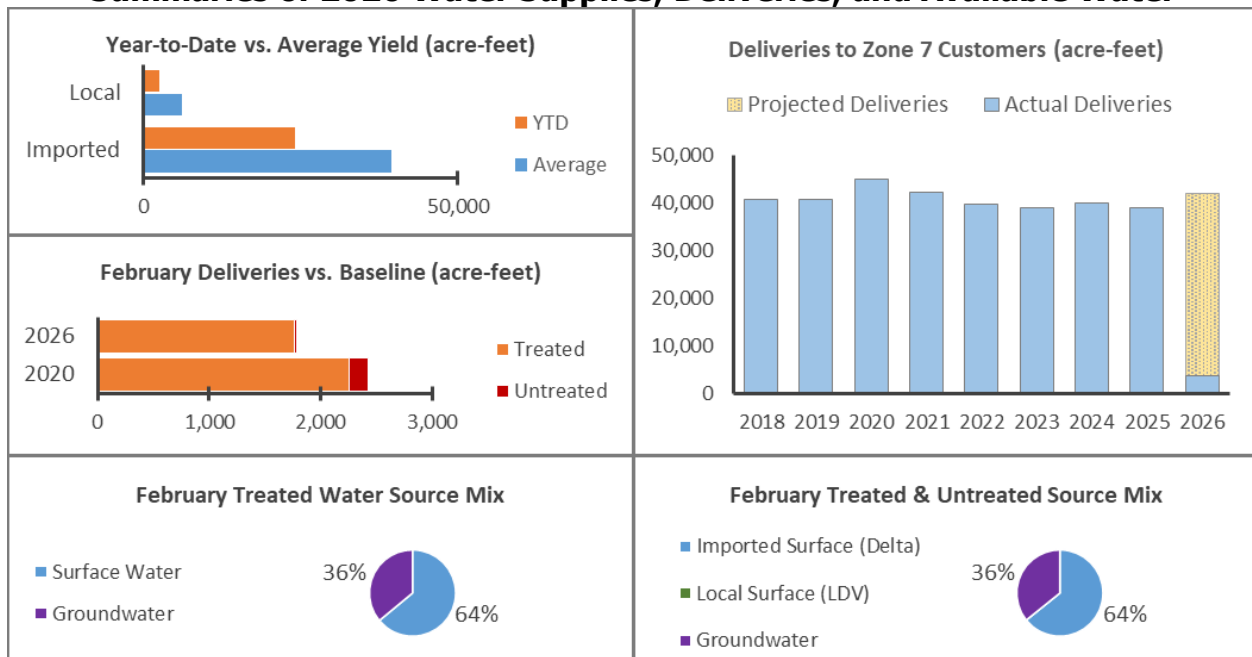
**SUBJECT:** Monthly Water Inventory and Water Budget Update

**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 advance Strategic Plan Initiative #5 – Develop a diversified water supply plan and implement supported projects and programs.

The 2026 Annual Review of the Sustainable Water Supply Report, which discusses an overall analysis of the annual water supply, will be presented to the Board on April 15, 2026. 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 planning horizon. The next update of the UWMP is due on July 1, 2026. These plans and evaluations account for the various sources of supply and storage available to Zone 7 locally, in State Water Project (SWP) facilities, and Kern County storage and recovery programs.

**Summaries of 2026 Water Supplies, Deliveries, and Available Water**



## ZONE 7 WATER INVENTORY AND WATER BUDGET (February 2026)

### Supply and Demand

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

- Monthly totals: 1,790 acre-feet (AF) delivered to customers (1,760 AF treated production and 30 AF estimated untreated deliveries).
- Total treated water production decreased by 6% compared to last month.
- Treated water sources were 64% surface water and 36% groundwater this month.
  - Treatment plant production was 13.0 million gallons per day (MGD).
  - Wellfield production was 7.5 MGD.

### Comparison of Demands: 2026 vs 2020 baseline

*(See Table 1)*

- In February 2026, Zone 7's overall water demand was 26% lower than in February 2020: treated water production was 22% lower, while estimated untreated deliveries were 82% lower.

**Table 1: February 2026 comparison – Treated and Untreated Demands**

	Treated Production	Untreated Delivery	Total
February 2026 (AF)	1,760	30	1,790
February 2020 (AF)	2,250	170	2,420
February 2026 vs February 2020	22% lower	82% lower	26% lower

### Imported Water

*(See Table 2 and Table 3)*

- The current 2026 State Water Project (SWP) allocation is 30%, which supplies 24,190 AF to Zone 7. Zone 7 did not use any of its Table A in February.
- As of March 1, Zone 7 has approximately 11,650 AF available and classified as carryover water.
- On February 25, DWR issued a Notice To Contractors in preparation for Article 21 water, should it become available. Staff is tracking DWR's potential availability of Article 21 water and planning accordingly.

**Table 2: Available Water Supplies (as of March 1, 2026)**

Sources of Water Supplies	Acre-Feet (AF)
Table A	24,190
Water Transfers/ Exchanges <sup>1</sup>	0
SWP Carryover Water	11,650
Lake Del Valle (Carryover + New Yield)	8,350
Livermore Valley Groundwater Basin (AF above Minimum Thresholds)	125,300
Kern Storage and Recovery Programs	106,400
<b>Total</b>	<b>275,890</b>

<sup>1</sup>Includes any approved SWP purchases/exchanges, Yuba Accord Water, and Sutter Extension Water District supplies if exercised (Zone 7 entered into a 5-year option agreement to purchase up to 3,000 AF/year).

## 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.
- Basin storage is approximately 99% 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 February, the total pumping from Zone 7’s wellfields was approximately 640 AF, making up 36% of the treated supply.
- Estimated groundwater basin outflow on the west side of the Basin was 44 AF in February. This groundwater spills into Arroyo De La Laguna due to a high groundwater table near Arroyo.
- In February, Zone 7 did not make any artificial recharge releases. Natural inflow to Arroyo Valle was sufficient to meet the water rights live-stream requirement.

## Stream Outflow

*(See Table 3)*

- Surface runoff exceeded the 10 cubic feet per second (CFS) baseflow at Arroyo De La Laguna at the Verona stream gauge for all of February, resulting in approximately 6,510 AF of outflow.
- Note: Some surface outflow from the Livermore-Amador Valley is mandated for other downstream purposes.

## Local Precipitation

*(See Figure 7)*

- 2.76 inches of precipitation was recorded at Livermore Airport in February.
- As of February 28, Livermore has received 9.98 inches of rain for the water year starting October 1, 2025, and is 96% of average-to-date.

## Sierra Precipitation

*(See Figure 8)*

- 8.2 inches of precipitation was recorded in the Northern Sierras in February. Historical average precipitation in February is 8.9 inches.
- Cumulative precipitation in the Northern Sierra for Water Year 2026 through March 2 is 41.2 inches, or 112% of average-to-date.

## Sierra Snowpack

*(See Figure 9)*

- As of February 27, Northern Sierra snow water equivalent was 10.8 inches, or 46% of average-to-date.

## Lake Oroville

*(See Figure 10)*

- As of March 1, 2026, Lake Oroville storage is at 86% of total capacity, representing 132% of average storage conditions for this date of the year.
  - Storage: 2,943,700 AF
  - Storage as a percentage of total capacity increased by 4% over the month of February

## 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 March 1, 2026, the total reservoir storage is

1,737,300 AF, of which approximately 1,049,000 AF belongs to SWP. The SWP's share of the reservoir capacity is 99% full. Staff continues to track the reservoir conditions and SWP operations.

## Lake Del Valle

*(See Table 3 and Figure 6)*

- Lake Del Valle holds 34,700 AF as of February 28.
- Zone 7's estimated water storage in Lake Del Valle at the end of February is approximately 8,350 AF.
- Lake Del Valle inflows peaked at approximately 1,290 CFS in February. The total volume of inflow in February was enough to satisfy the required releases under Zone 7's water rights permit.

**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.

	2025 <i>Jan-Dec</i>	2026 <i>Feb</i>	2026 - YTD <i>Jan-Dec</i>
<b>Source</b>			
<b>Incoming Supplies</b>			
State Water Project (SWP) - Table A	26,320	0	0
State Water Project - Article 21	0	0	0
Lake Del Valle Local Water, (Includes Evap Loss)	8,000	0	0
Water Transfers/Exchanges <sup>1</sup>	0	0	0
<b>Subtotal</b>	<b>34,320</b>	<b>0</b>	<b>0</b>
<b>From Storage</b>			
State Water Project - Carryover	9,160	1,150	2,340
Livermore Valley Groundwater Basin	7,520	640	1,360
Kern Storage and Recovery Programs	0	0	0
<b>Subtotal</b>	<b>16,680</b>	<b>1,790</b>	<b>3,700</b>
<b>Total Supply</b>	<b>51,000</b>	<b>1,790</b>	<b>3,700</b>
<b>Water Use</b>			
<b>Customer Deliveries</b>			
Treated Water Demand <sup>2</sup>	34,520	1,760	3,630
Untreated Water Demand	4,360	30	70
<b>Subtotal</b>	<b>38,880</b>	<b>1,790</b>	<b>3,700</b>
<b>To Storage</b>			
Livermore Valley Groundwater Basin Recharge	3,120	0	0
Kern Storage and Recovery Programs	5,000	0	0
<b>Subtotal</b>	<b>8,120</b>	<b>0</b>	<b>0</b>
<b>SWP Transfer</b>			
Water Transfers/Exchanges <sup>3</sup>	4,000	0	0
<b>Total Water Use</b>	<b>51,000</b>	<b>1,790</b>	<b>3,700</b>
<b>Available Water Supplies</b>			
<b>Incoming Supplies</b>	<b>End-of-2025</b>		
SWP - Table A (%)	50%	30%	30%
SWP - Table A Remaining	13,990	24,190	24,190
Water Transfers/Exchanges	0	0	0
<b>Subtotal</b>	<b>13,990</b>	<b>24,190</b>	<b>24,190</b>
<b>Storage Balance</b>	<b>End-of-2025</b>		
SWP Carryover	0	11,650	11,650
Lake Del Valle Local Water	4,950	8,350	8,350
Livermore Valley Groundwater Basin <sup>4</sup>	123,100	125,300	125,300
Kern Storage and Recovery Programs	106,400	106,400	106,400
<b>Subtotal</b>	<b>234,450</b>	<b>251,700</b>	<b>251,700</b>
<b>Total Available Water</b>	<b>248,440</b>	<b>275,890</b>	<b>275,890</b>
<b>Watershed Conditions</b>	<b>End-of-2025</b>		
Precipitation at Livermore Station (in) <sup>5</sup>	11.7	2.76	4.32
Lake Del Valle Local Water Net Yield	4,950	2,500	3,400
Measured Change in Groundwater Basin Storage	-900	0	2,200
Surface Water Outflow <sup>6</sup>	17,990	6,510	10,130

<sup>1</sup> Includes any approved SWP purchases/exchanges and Sutter Extension Water District supplies if exercised.

<sup>2</sup> Includes a small amount of unaccounted-for water.

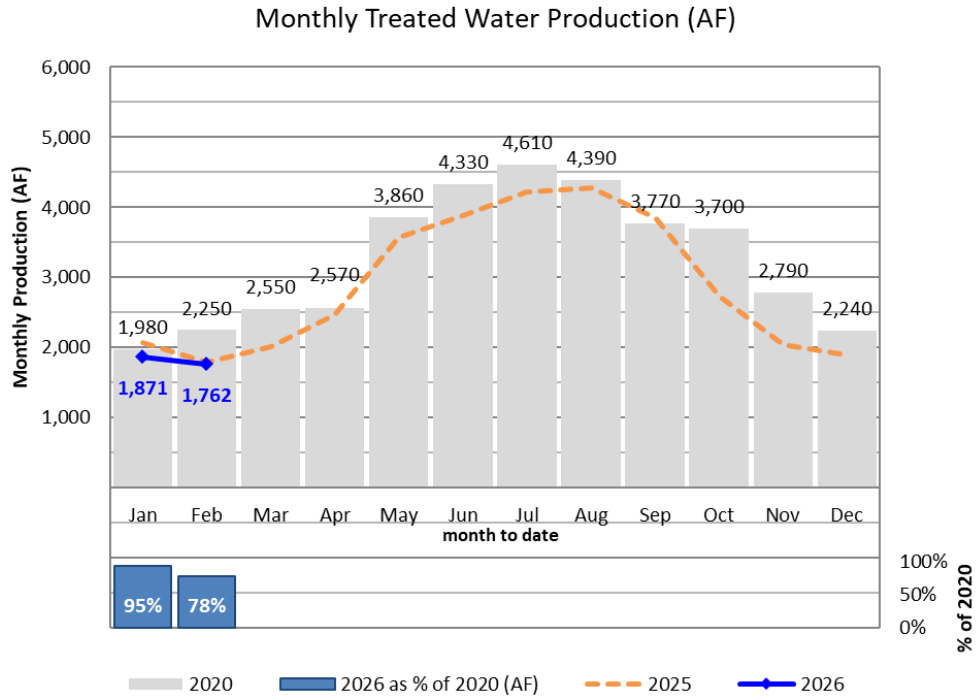
<sup>3</sup> In 2025, Zone 7 transferred water to the Westside Districts.

<sup>4</sup> Storage volume is based on most recent groundwater level data; amount shown excludes 28,000 AF of storage below the minimum thresholds.

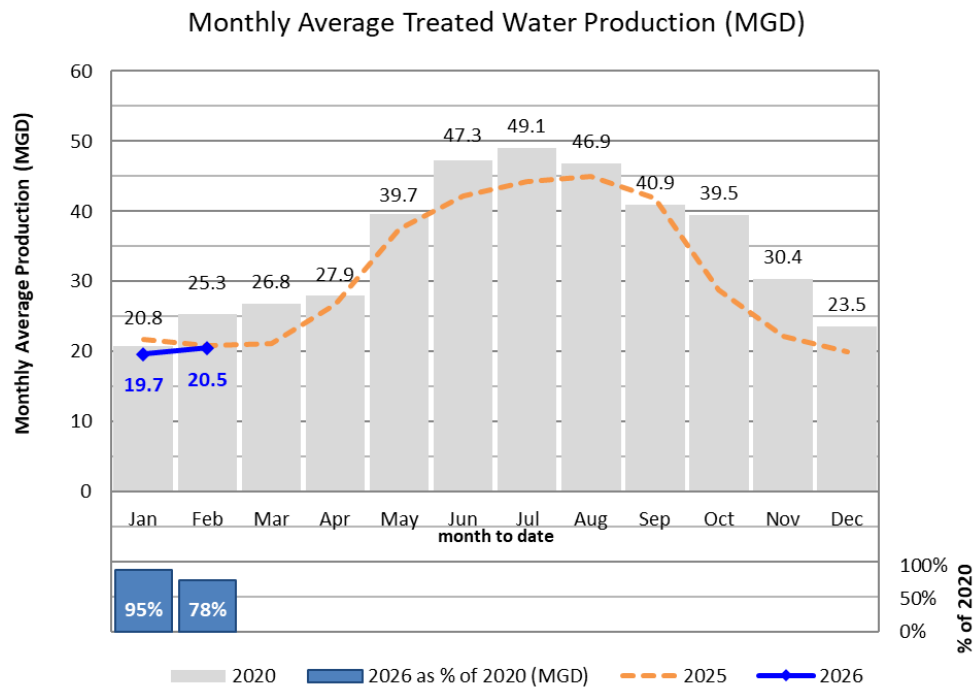
<sup>5</sup> Local precipitation reported in Table 3 for 2026YTD is reported on a calendar year basis.

<sup>6</sup> Surface Water Outflow is estimated based on flow at USGS gage Arroyo De La Laguna at Verona.

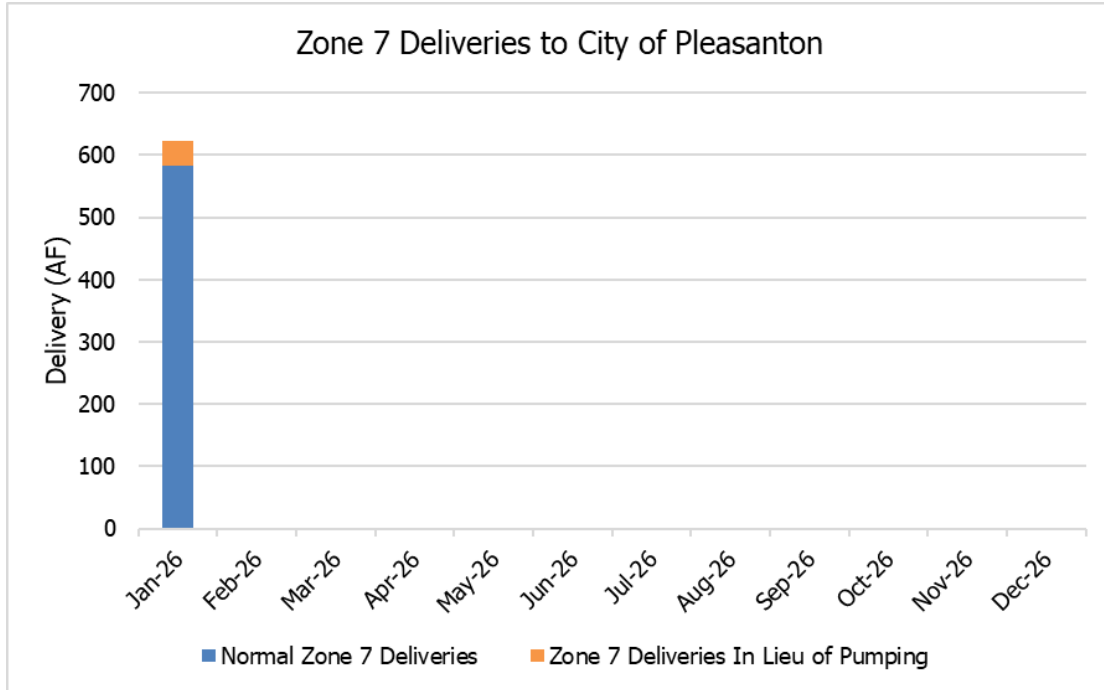
**Figure 1: Monthly Treated Water Production in Acre-Feet (AF)**



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

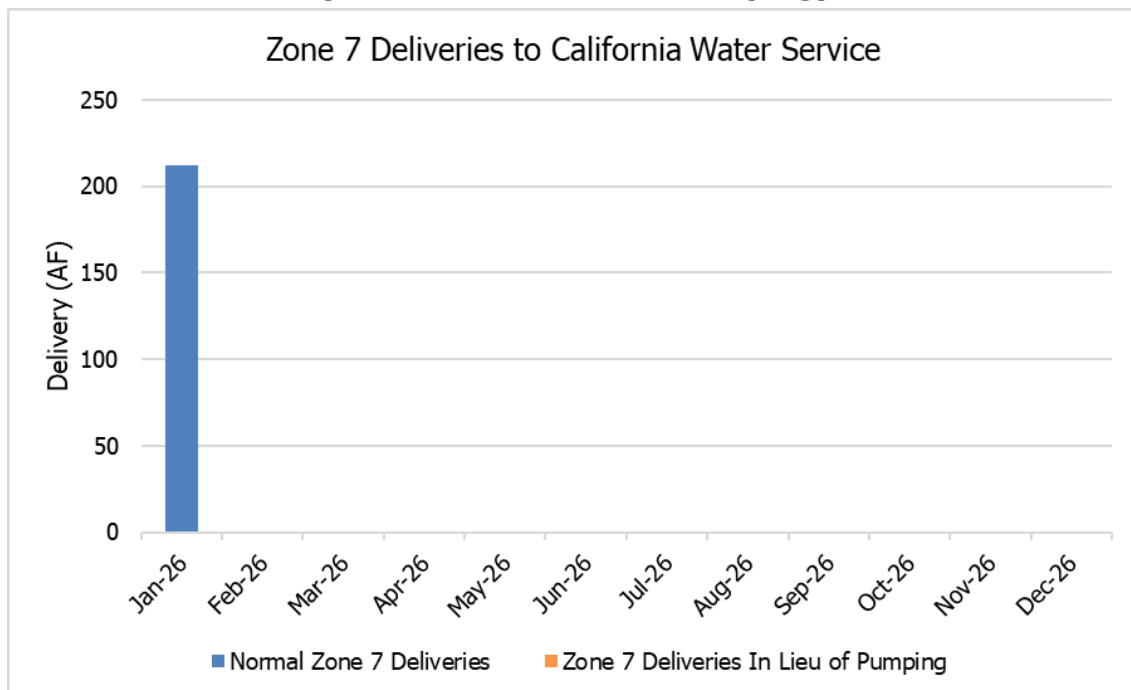


**Figure 3: Pleasanton Estimated In-Lieu Demand  
(Based on 2020-2023 Pumping)**



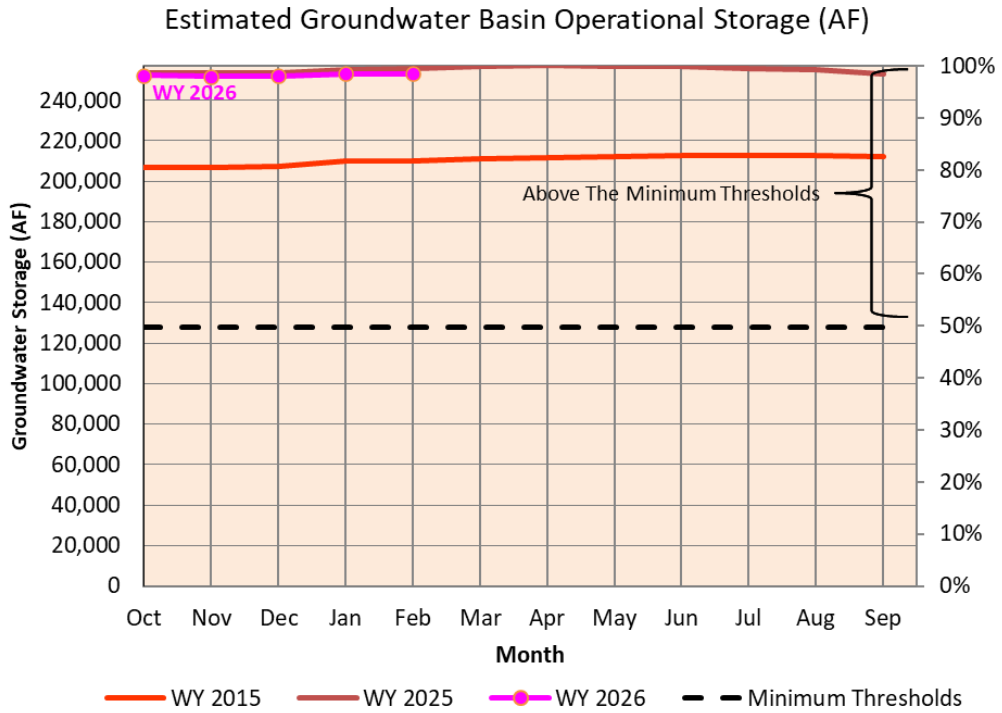
*\*Pleasanton's pumping data for February is not yet available and will be reflected in future inventories.*

**Figure 4: California Water Service Estimated In-Lieu Demand  
(Based on 2020-2023 Pumping)**



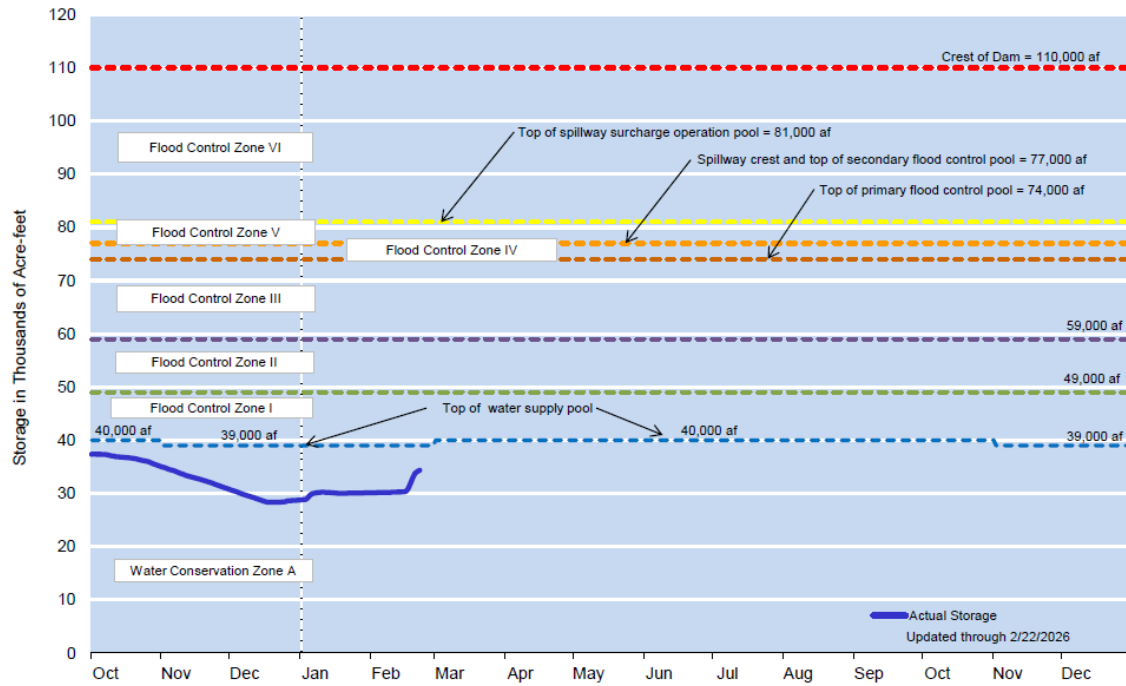
*\*Cal Water's pumping data for February is not yet available and will be reflected in future inventories.*

**Figure 5: Livermore Valley Groundwater Basin Storage\***



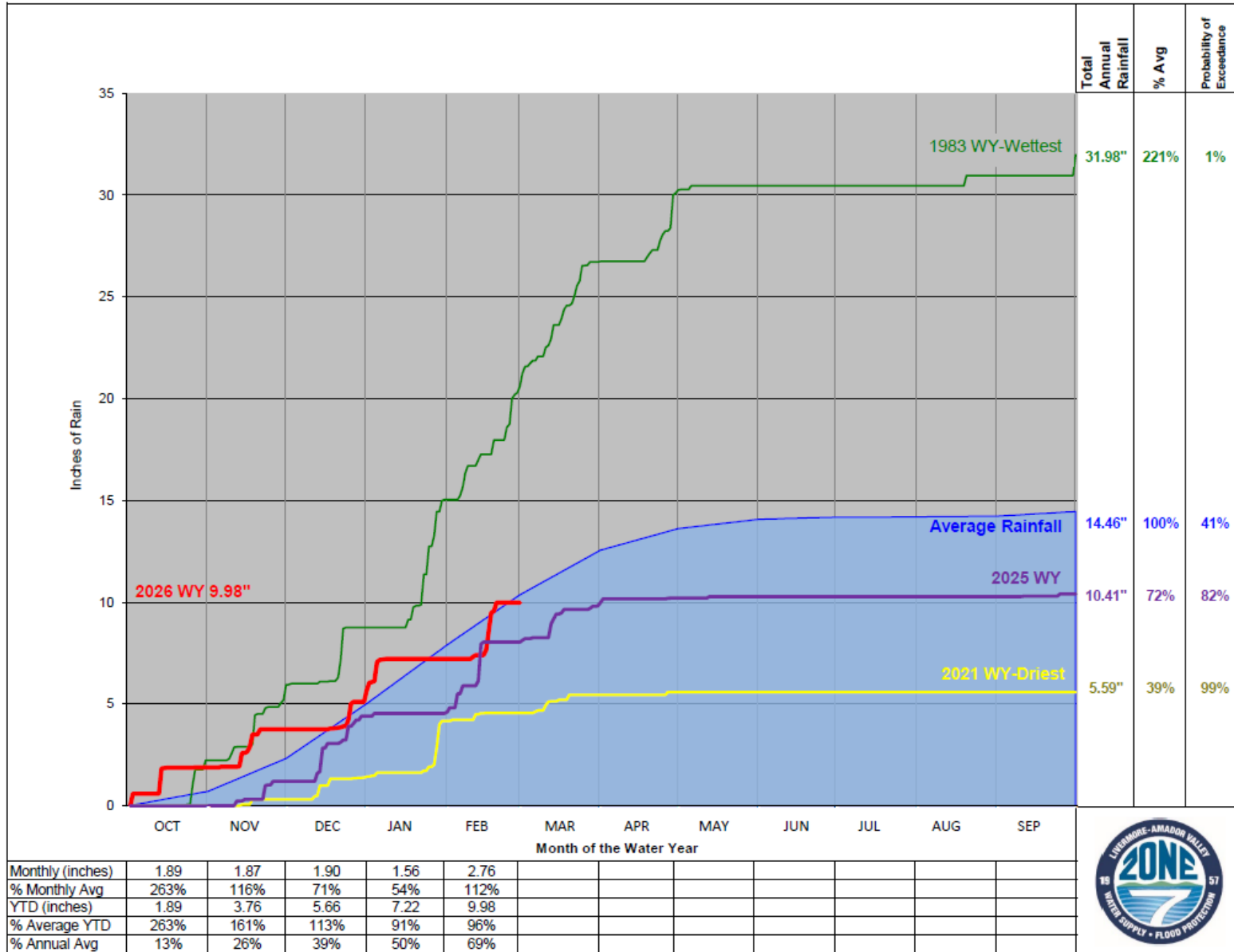
*\*The estimated groundwater basin storage represents the combined total storage from all four subbasins.*

**Figure 6: Lake Del Valle Storage**

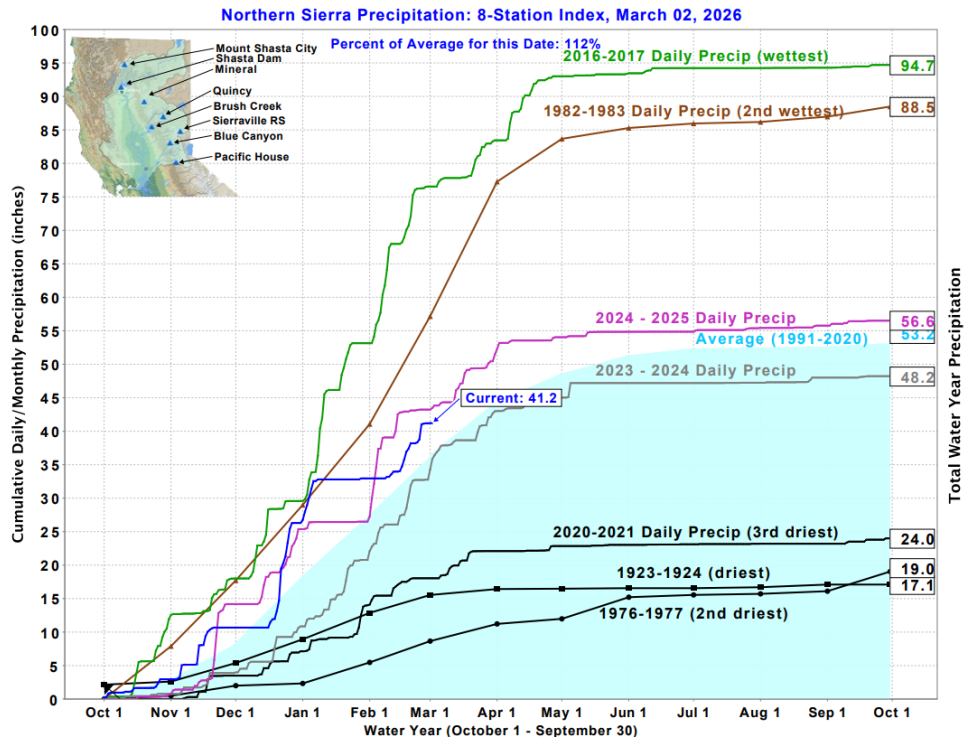


Source: <https://water.ca.gov/-/media/DWR-Website/>

**Figure 7: Local Precipitation**



**Figure 8: Cumulative Precipitation in the North Sierra**

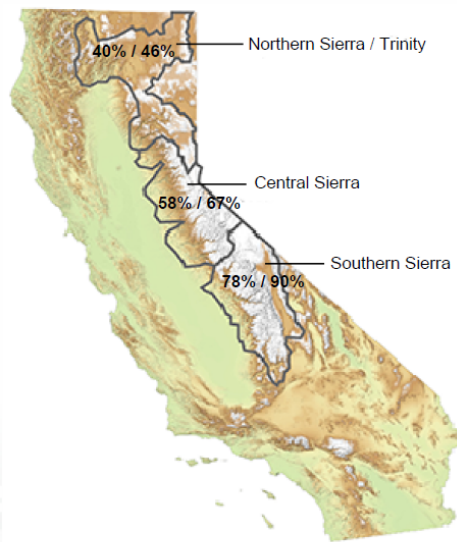


Source: [http://cdec.water.ca.gov/cgi-progs/products/PLOT\\_ESI.pdf](http://cdec.water.ca.gov/cgi-progs/products/PLOT_ESI.pdf)

**Figure 9: Sierra Snowpack**

CURRENT REGIONAL SNOWPACK FROM AUTOMATED SNOW SENSORS

% of April 1 Average / % of Normal for This Date



NORTH	
Data as of February 27, 2026	
Number of Stations Reporting	33
Average snow water equivalent (Inches)	10.8
Percent of April 1 Average (%)	40
Percent of normal for this date (%)	46

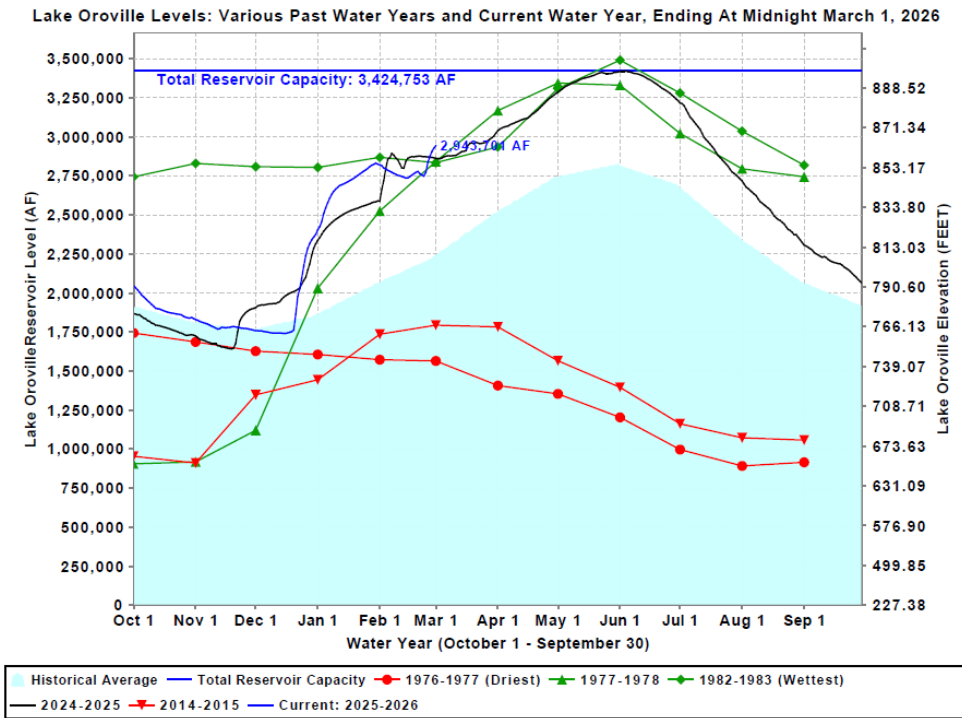
CENTRAL	
Data as of February 27, 2026	
Number of Stations Reporting	52
Average snow water equivalent (Inches)	15.8
Percent of April 1 Average (%)	58
Percent of normal for this date (%)	67

SOUTH	
Data as of February 27, 2026	
Number of Stations Reporting	26
Average snow water equivalent (Inches)	19.3
Percent of April 1 Average (%)	78
Percent of normal for this date (%)	90

STATE	
Data as of February 27, 2026	
Number of Stations Reporting	111
Average snow water equivalent (Inches)	15.1
Percent of April 1 Average (%)	57
Percent of normal for this date (%)	66

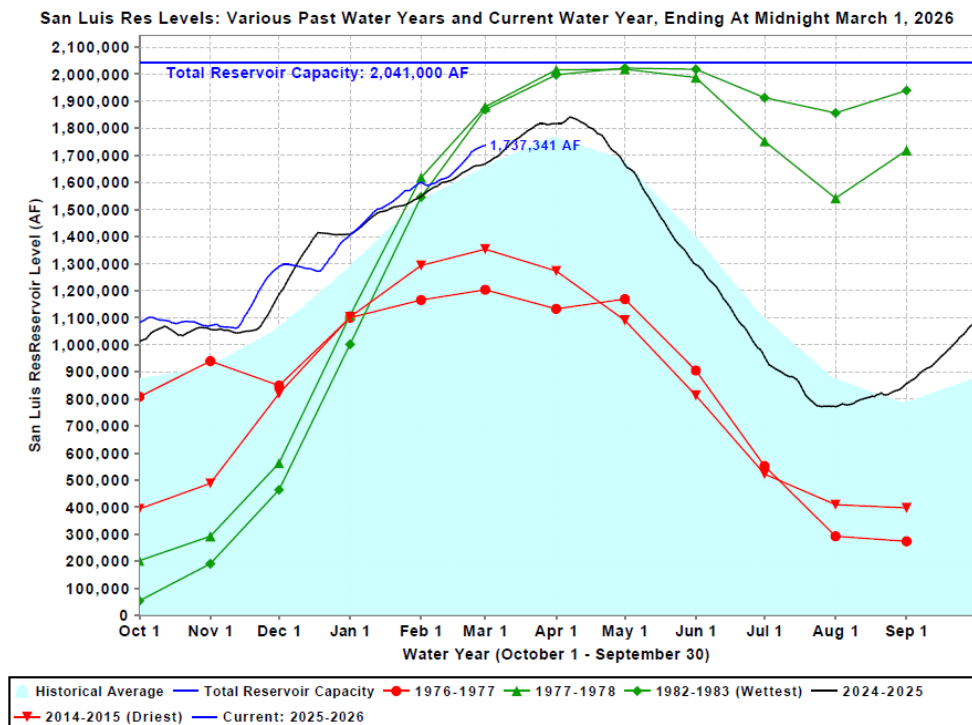
Source: <https://cdec.water.ca.gov/reportapp/javareports?name=swcond.pdf>

### 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>



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

December 31, 2025

Board of Directors  
 Zone 7 Water Agency  
 100 N. Canyons Pkwy.  
 Livermore, CA 94551

**Subject: Investment Report as of December 31, 2025 (Unaudited)**

Dear Board Members,

Pursuant to Resolution No. 25-48, dated June 18, 2025, the Board adopted the Agency investment policy. In accordance with 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 a prudent manner and in accordance with the Investment Policy, attached is the Agency quarterly informational investment report as of December 31, 2025. Enclosed with this report is a detailed composition of investments held in Zone 7’s name by securities category as of December 31, 2025. This report reflects the market value and cost of purchase of the securities.

All Agency investments in this investment management portfolio conform to the investment policy and are in accordance with California Government Code Section 53600, et. seq. Below is the Agency’s investment portfolio management summary:

Investment Type	Face Amount	Market Value	Book Value	% of Portfolio	Permitted by Agency Policy	In Compliance	Book Yield (YTM at Cost)
U.S. Treasury Bond/ Note	\$ 71,270,000	\$ 71,182,441	\$ 71,327,471	42.52%	No Limit	Yes	3.67%
Corporate Bonds (Medium Term Notes)	38,700,000	38,804,286	38,763,339	23.18%	30%	Yes	4.44%
Federal Agency Commercial Mortgage-Backed Security	30,704,887	31,310,997	30,835,770	18.71%	No Limit	Yes	4.76%
Negotiable Certificate of Deposit (CD)	1,350,000	1,362,304	1,381,242	0.81%	30%	Yes	5.08%
Asset-Backed Securities	19,554,205	19,696,742	19,586,758	11.77%	20%	Yes	4.34%
Money Market (1)	5,034,025	5,034,025	5,034,025	3.01%	20%	Yes	3.60%
<b>Total Investments</b>	<b>\$ 166,613,117</b>	<b>\$ 167,390,794</b>	<b>\$ 166,928,606</b>	<b>100.00%</b>			<b>4.16%</b>
US Bank	1,198,245	1,198,245	1,198,245				
<b>Total Cash &amp; Investments</b>	<b>\$ 167,811,362</b>	<b>\$ 168,589,039</b>	<b>\$ 168,126,851</b>				<b>4.16%</b>

(1) **Money Market:** The Money Market Book Yield (Yield to Maturity at Cost) is not part of the overall securities YTM at Cost from PFM Asset Management, it’s from the U.S. Bank as custody bank.

In addition, the Agency has cash and investments pooled with the Alameda County Treasury. The County Treasurer acts as the disbursing agent for these funds for the Agency and the cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer for the County.



As of December 31, 2025, the County Treasurer held approximately \$213,808,063 (unaudited) for the Agency. The amount held by the County Treasurer is sufficient to meet all operating cash needs for the Agency within the next six months. Here is a link to the County investment reports: <https://treasurer.acgov.org/reports/>

I hereby certify that, to the best of my actual knowledge, this report includes all investments in the Agency pool investment portfolio and is in conformity with the Agency's current investment policy dated July 1, 2025.

Market value amounts are from PFM Asset Management, which provides investment management services for the Agency. U.S. Bank provides the Agency custody services. Book value amounts include premiums or discounts and are adjusted at year end on the general ledger.

Sincerely,

*Osborn Solitei*

Osborn Solitei  
Treasurer

Attachment:

- Zone 7 Investment Performance Review for the Quarter Ended December 31, 2025

c: Valerie Pryor



# ZONE 7 WATER AGENCY

## Investment Performance Review For the Quarter Ended December 31, 2025

### Client Management Team

Monique Spyke, Managing Director  
Joseph Creason, Portfolio Manager  
Jeremy King, Key Account Manager

**PFM Asset Management**  
A division of U.S. Bancorp Asset Management, Inc

1 California Street Ste. 1000  
San Francisco, CA 94111-5411  
415-393-7270

213 Market Street  
Harrisburg, PA 17101-2141  
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**NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE**

*For Institutional Investor or Investment Professional Use Only - This material is not for inspection by, distribution to, or quotation to the general public*

# Market Update

## Current Market Themes



- ▶ U.S. economy remains resilient but government shutdown obscures data
  - ▶ Inflation print likely biased lower due to data collection gaps and technical adjustments
  - ▶ Unemployment rate trends higher with net new job creation near zero
  - ▶ Strong consumer and business spending, along with steadier trade dynamics, support growth



- ▶ The Fed lowered the target rate by 50 basis points in the fourth quarter to 3.50-3.75%
  - ▶ Fed Chair Powell acknowledged ongoing challenges in achieving the Fed's dual mandate of maximum employment and price stability
  - ▶ The Fed's December "dot plot" indicates 25 bps of cuts in both 2026 and 2027, but the wide dispersion in underlying projections highlights differing views on path forward
  - ▶ Markets view policy is skewed towards additional easing assuming a more dovish Chair takes office in mid-2026

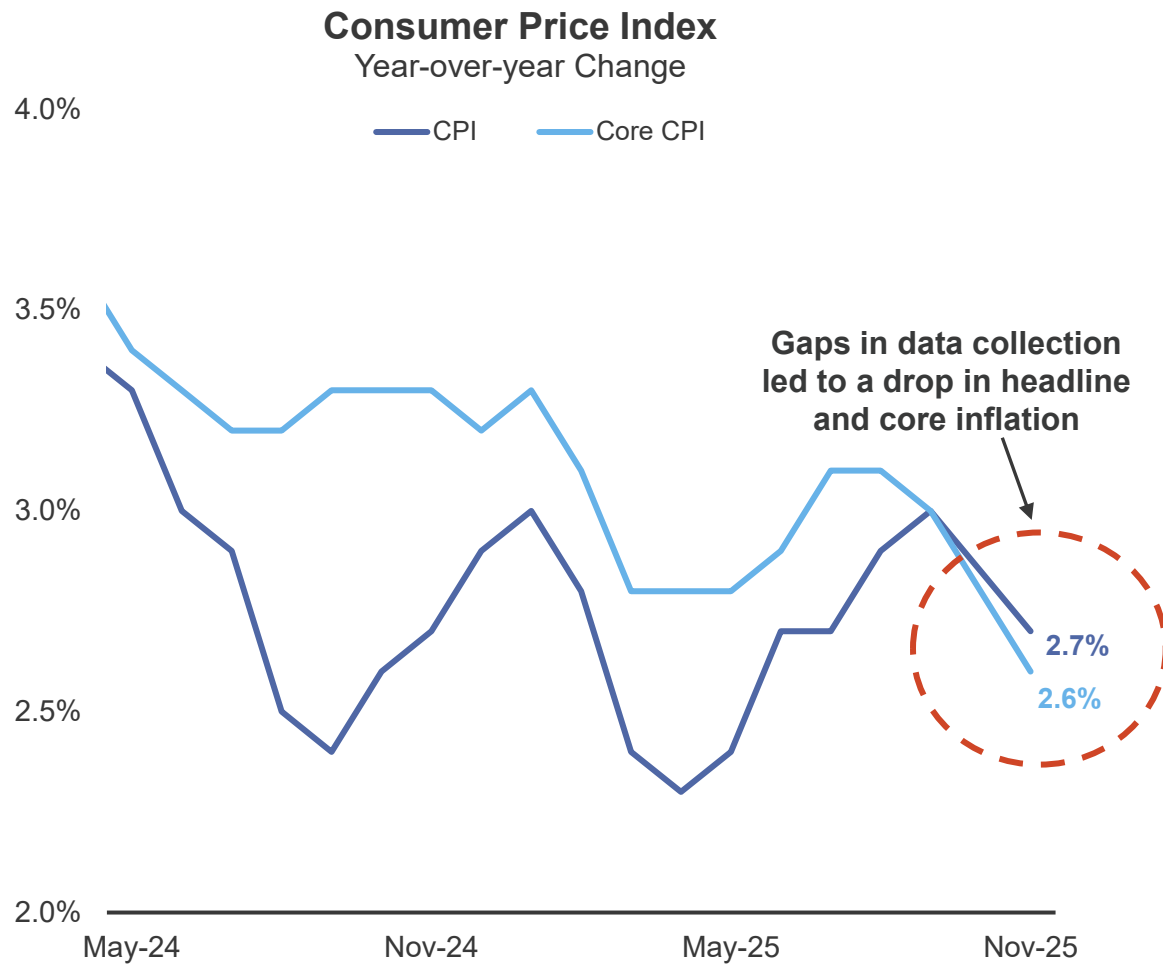


- ▶ Treasury yield curve continues to steepen but remains inverted inside 2 years
  - ▶ Front end Treasury yields moved lower during the fourth quarter on Fed rate cut expectations
  - ▶ Yields were range bound as volatility waned into year end
  - ▶ Credit spreads widened marginally but remain near historically narrow levels

Source: Details on market themes and economic indicators provided throughout the body of the presentation. Bloomberg Finance L.P., as of December 31, 2025.

## Data Distortions Bias Inflation Lower

*Fed Chair Powell: "The data may be distorted ... because [it] was not collected in October and half of November."*



### Price Increases For Key Goods

Legend: ■ 3-Month Annualized Inflation Rates (Sep-25), ■ 2024

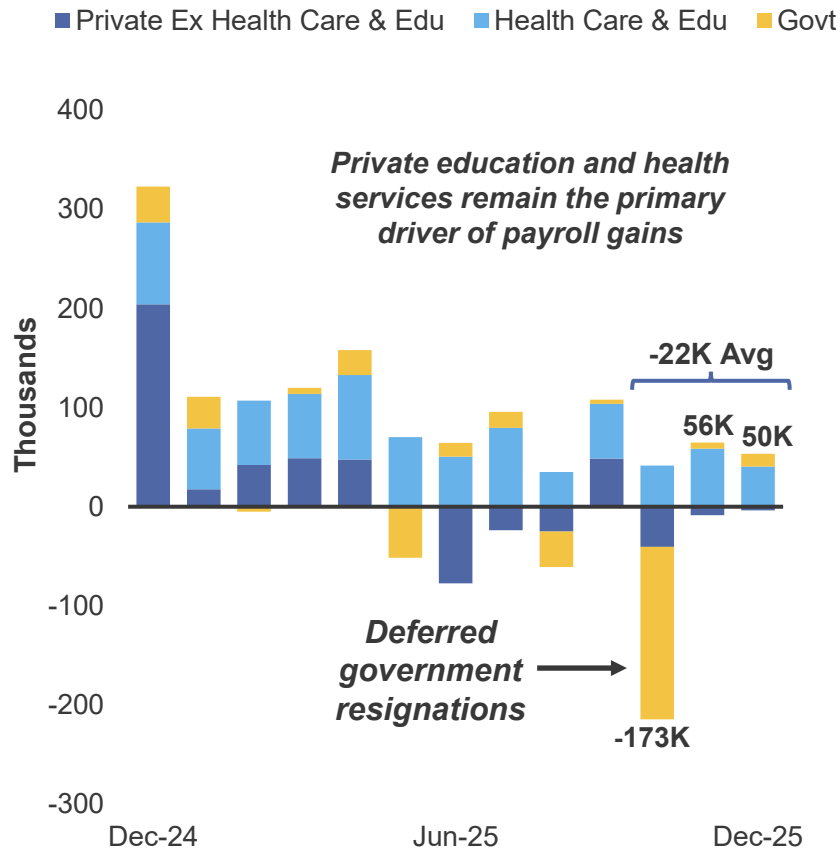
Category	3-Month Average	2024
Home Furnishings	+4.1%	-0.9%
Apparel	+5.3%	+1.2%
Transportation	+3.1%	-1.2%
Food at Home	+3.2%	+1.8%
Energy	+4.6%	-0.5%

Source: FOMC Chair Jerome Powell Press Conference, December 10, 2025. Bureau of Labor Statistics and Bloomberg Finance L.P. as of November 2025.

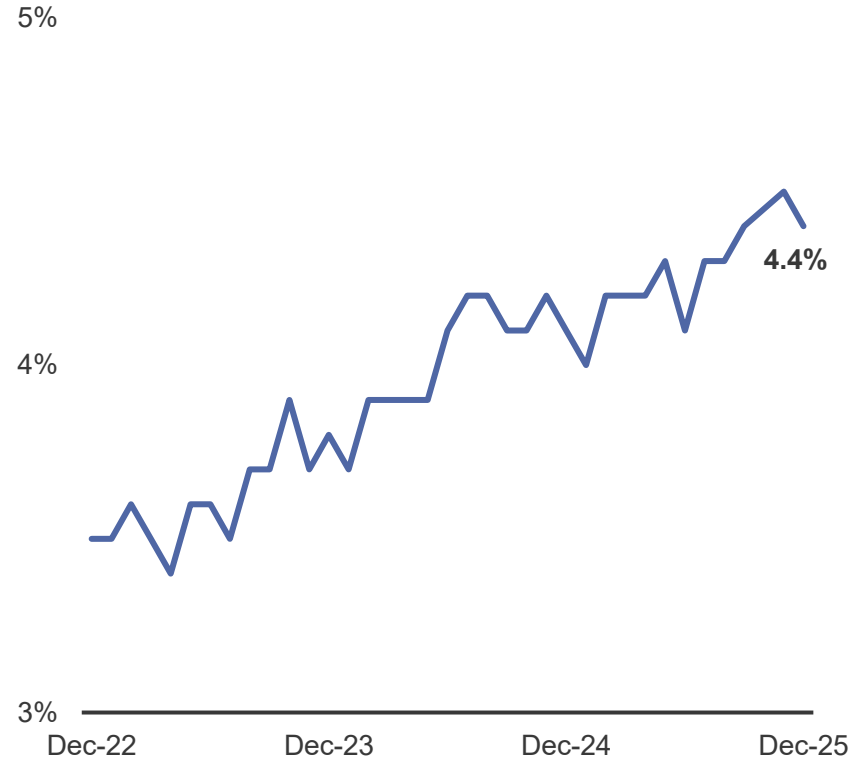
## Labor Market Continues to Cool

*Fed Chair Powell: “[S]upply of workers has also gone way down, so the unemployment rate hasn’t moved that much. It is a labor market that seems to have significant downside risks...”*

### Monthly Change In Nonfarm Payrolls



### Unemployment Rate

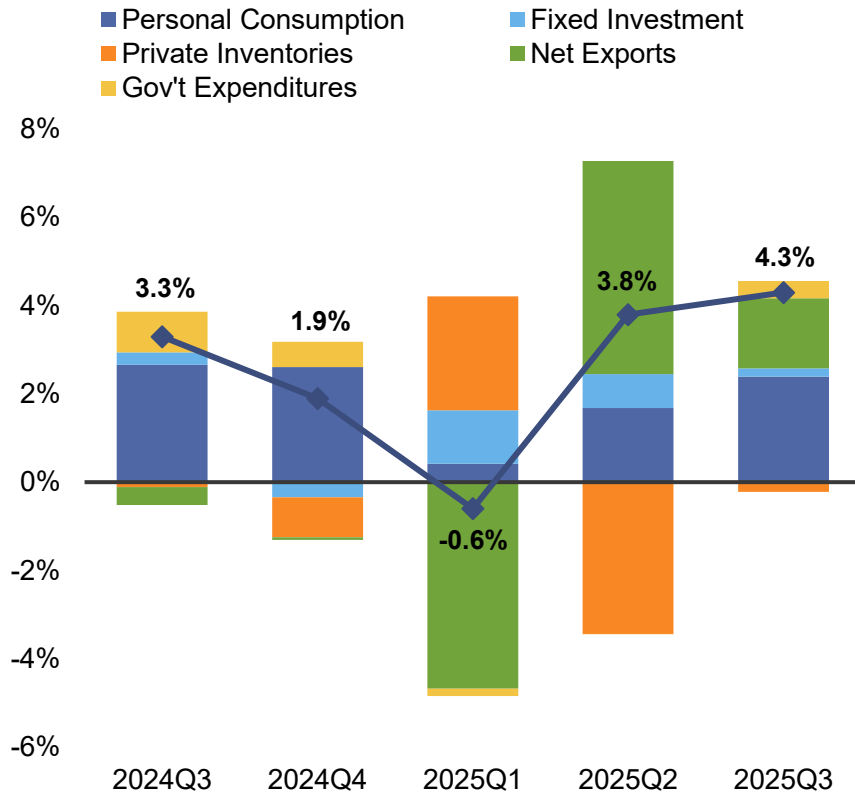


Source: FOMC Chair Jerome Powell Press Conference, December 10, 2025. Bureau of Labor Statistics and Bloomberg Finance L.P. as of December 2025.

## K-Shaped Economy

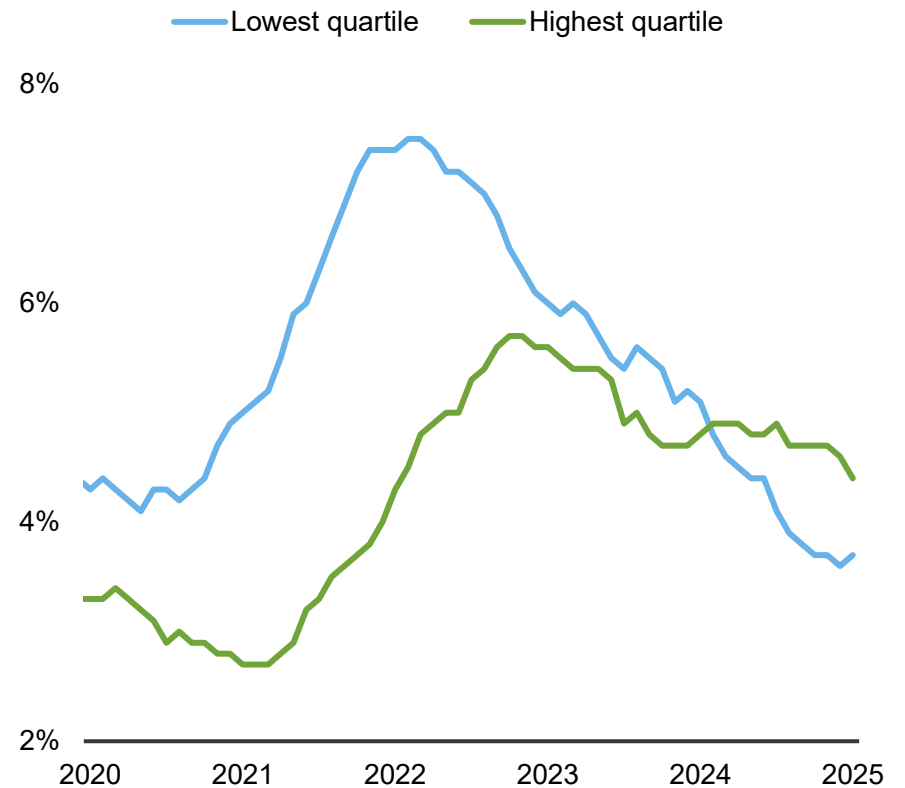
*Fed Chair Powell: "[T]he top third [of earners] accounts for way more than a third of the consumption ... So it's a good question how sustainable that is."*

### U.S. Real GDP Contributors and Detractors



### Wage Growth by Income Quartiles

Atlanta Fed Wage Growth Tracker



Source: FOMC Chair Jerome Powell Press Conference, December 10, 2025. Bloomberg Finance L.P. and Bureau of Economic Analysis, as of September 2025 (left). Federal Reserve Bank of Atlanta, as of September 2025 (right).

ZONE 7 WATER AGENCY

Factors Shaping the Economic Outlook



**Negative**

- ▶ Net new job creation nears zero
- ▶ Increasing retail credit card balances
- ▶ Rising student loan delinquencies
- ▶ Planned federal spending cuts



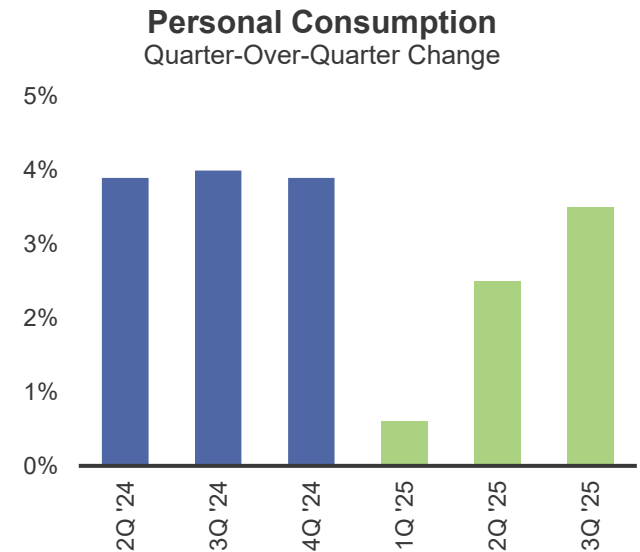
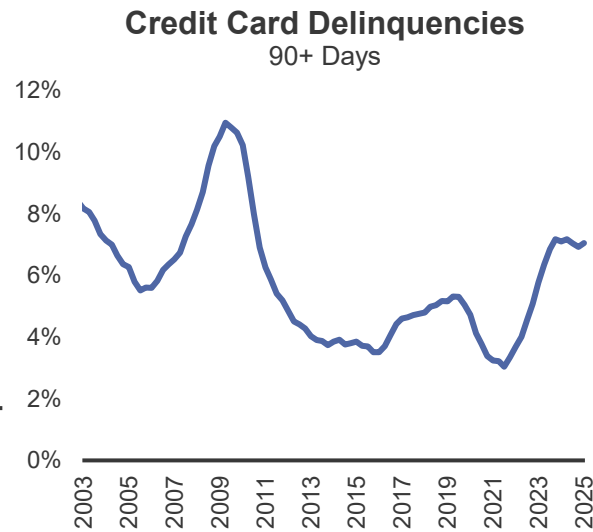
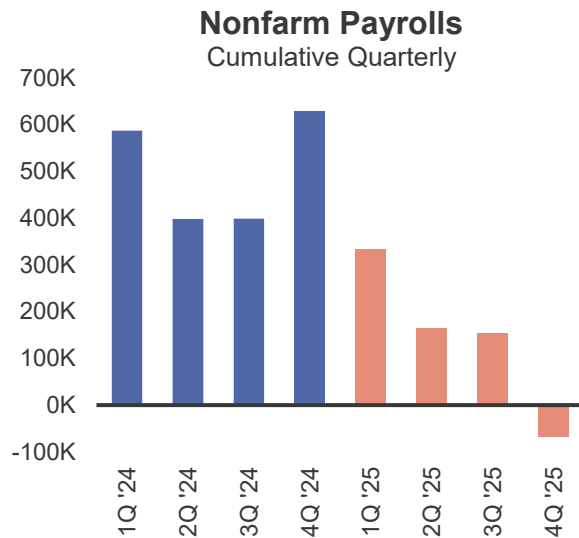
**Neutral**

- ▶ Services disinflation
- ▶ Slower tariff-based inflation passthrough
- ▶ Stabilizing credit card delinquencies



**Positive**

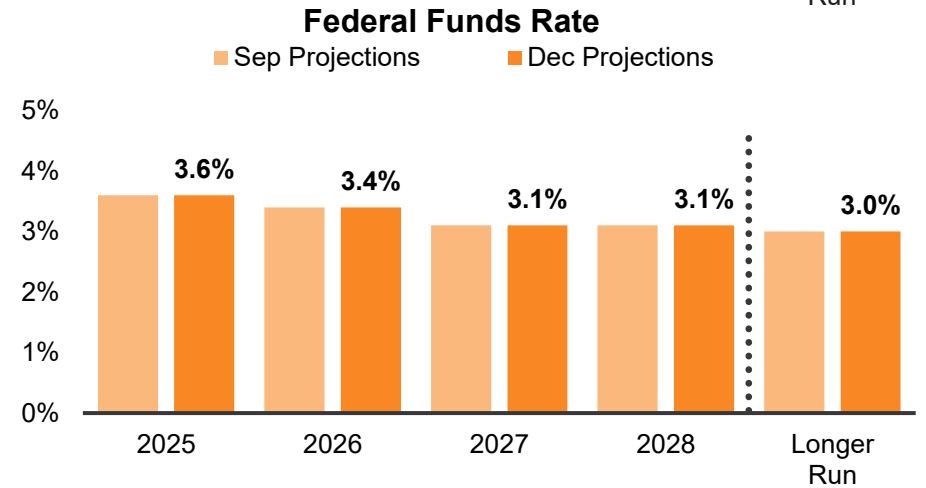
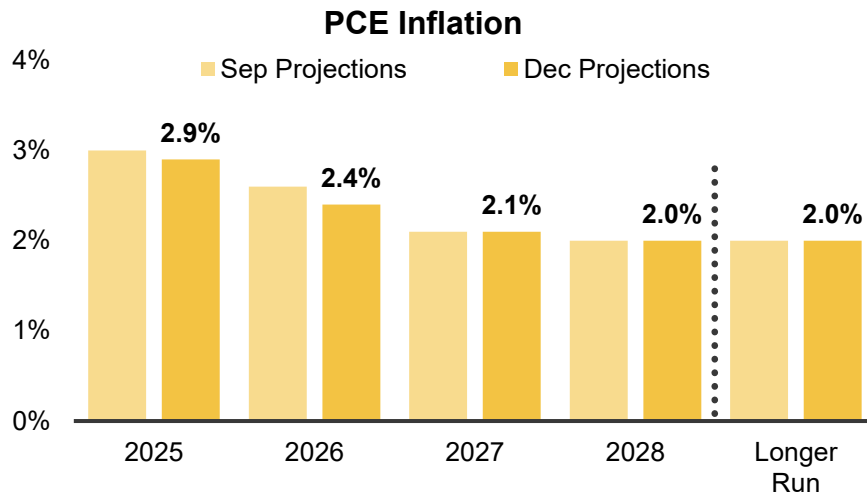
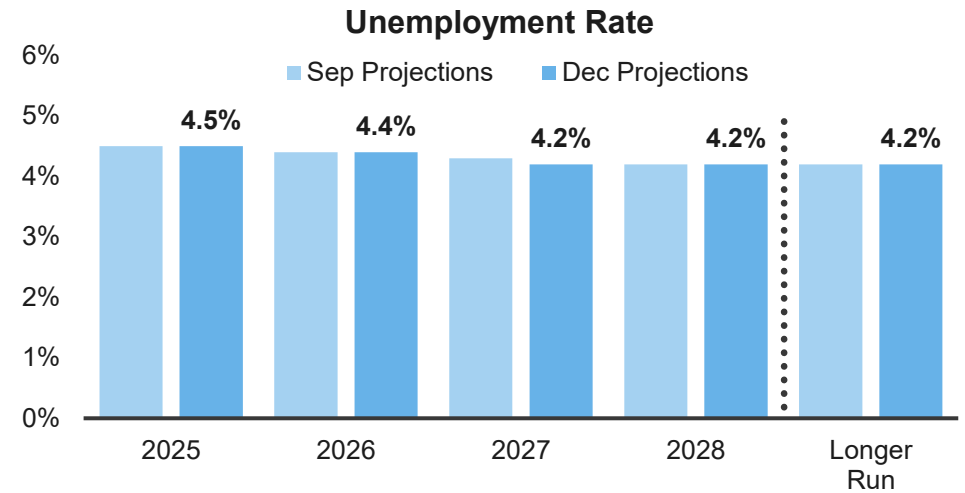
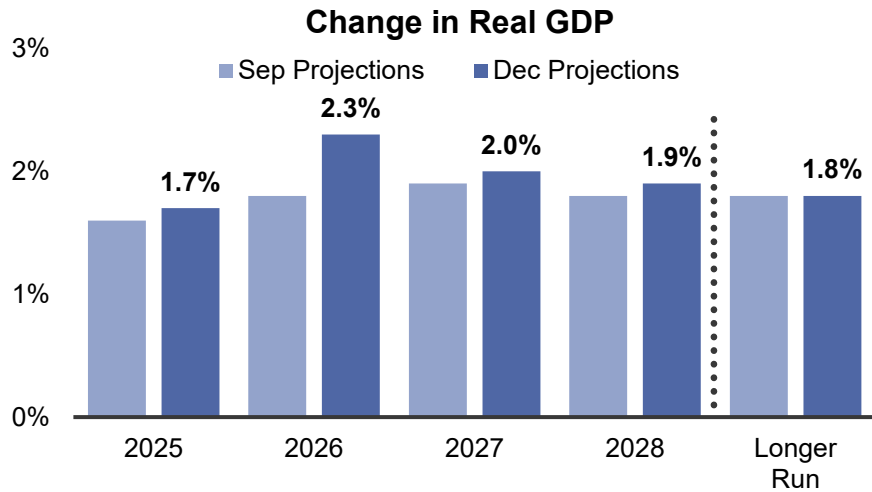
- ▶ Easing Fed Policy
- ▶ Fiscal tailwinds from tax and reconciliation bill
- ▶ Resilient consumer spending
- ▶ Positive real disposable personal income growth
- ▶ Corporate fundamentals



Source: Bloomberg Finance L.P., Bureau of Labor Statistics as of December 2025, Federal Reserve Bank of New York as of September 2025, and Bureau of Economic Analysis as of September 2025.

## Fed's Updated Summary of Economic Projections

*Fed Chair Powell: "[T]he baseline [expectation] would be solid growth next year" ... "[We] feel like we have made progress this year in nontariff-related inflation."*

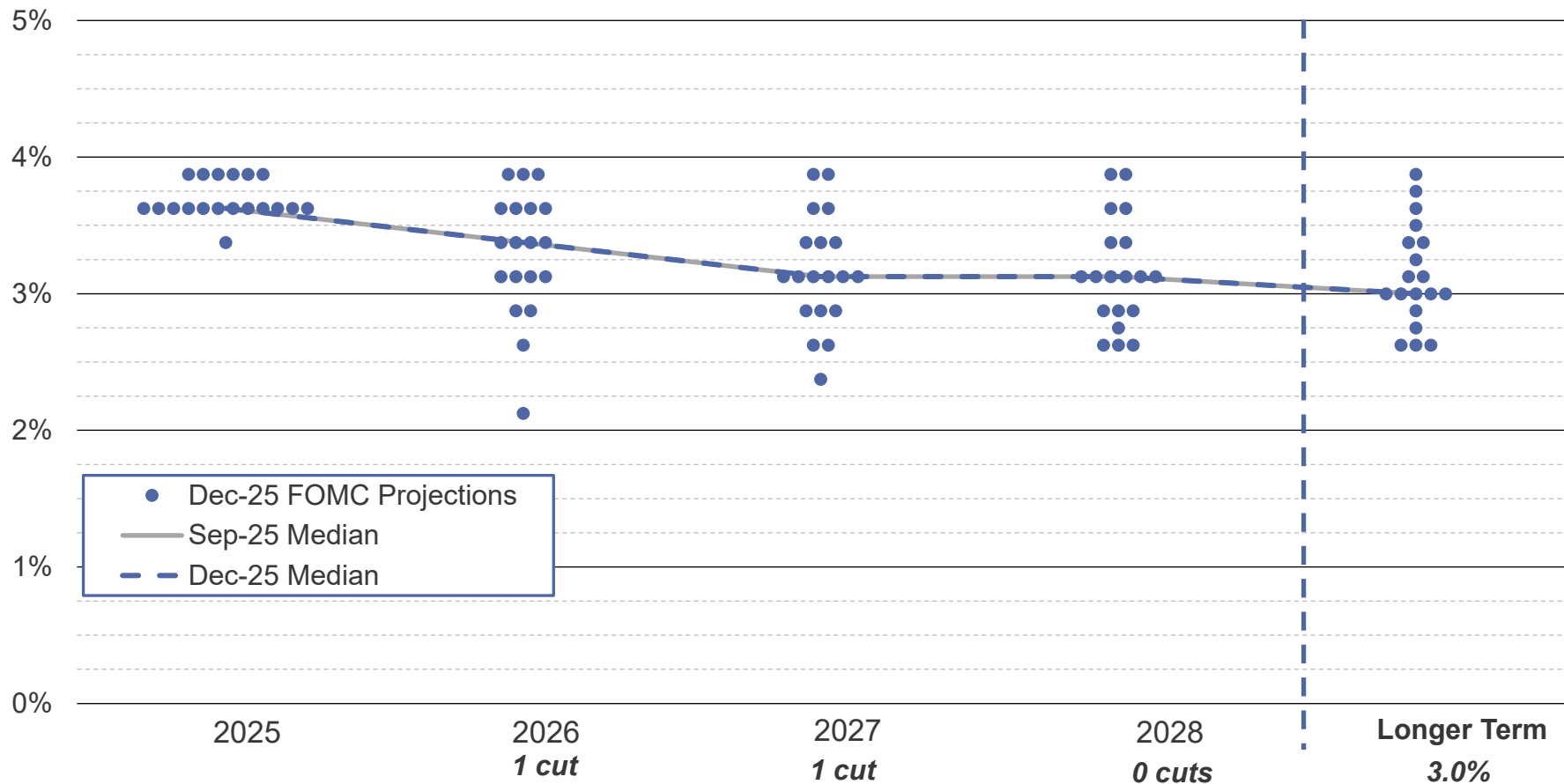


Source: FOMC Chair Jerome Powell Press Conference, December 10, 2025. Federal Reserve, latest median economic projections, as of December 2025.

### The December Fed “Dot Plot”

*Fed Chair Powell: “[I]t is very unusual to have persistent tension between the two parts of the mandate... But it is not like the normal situation where everyone agrees on the direction and what to do. It is more spread out.”*

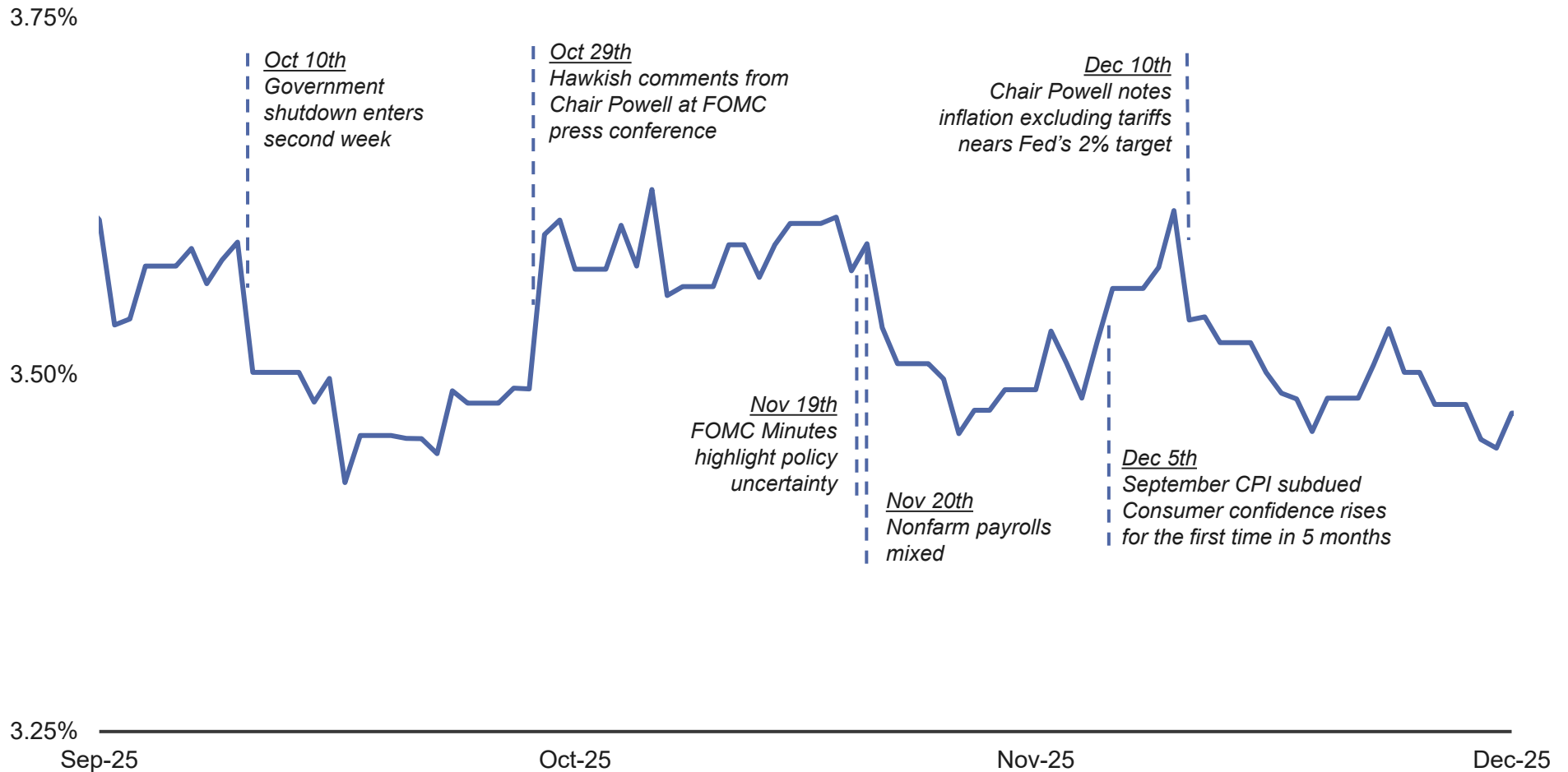
Fed Participants’ Assessments of ‘Appropriate’ Monetary Policy



Source: FOMC Chair Jerome Powell Press Conference, December 10, 2025. Federal Reserve; Bloomberg Finance L.P.. Individual dots represent each Fed members’ judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end. As of December 2025.

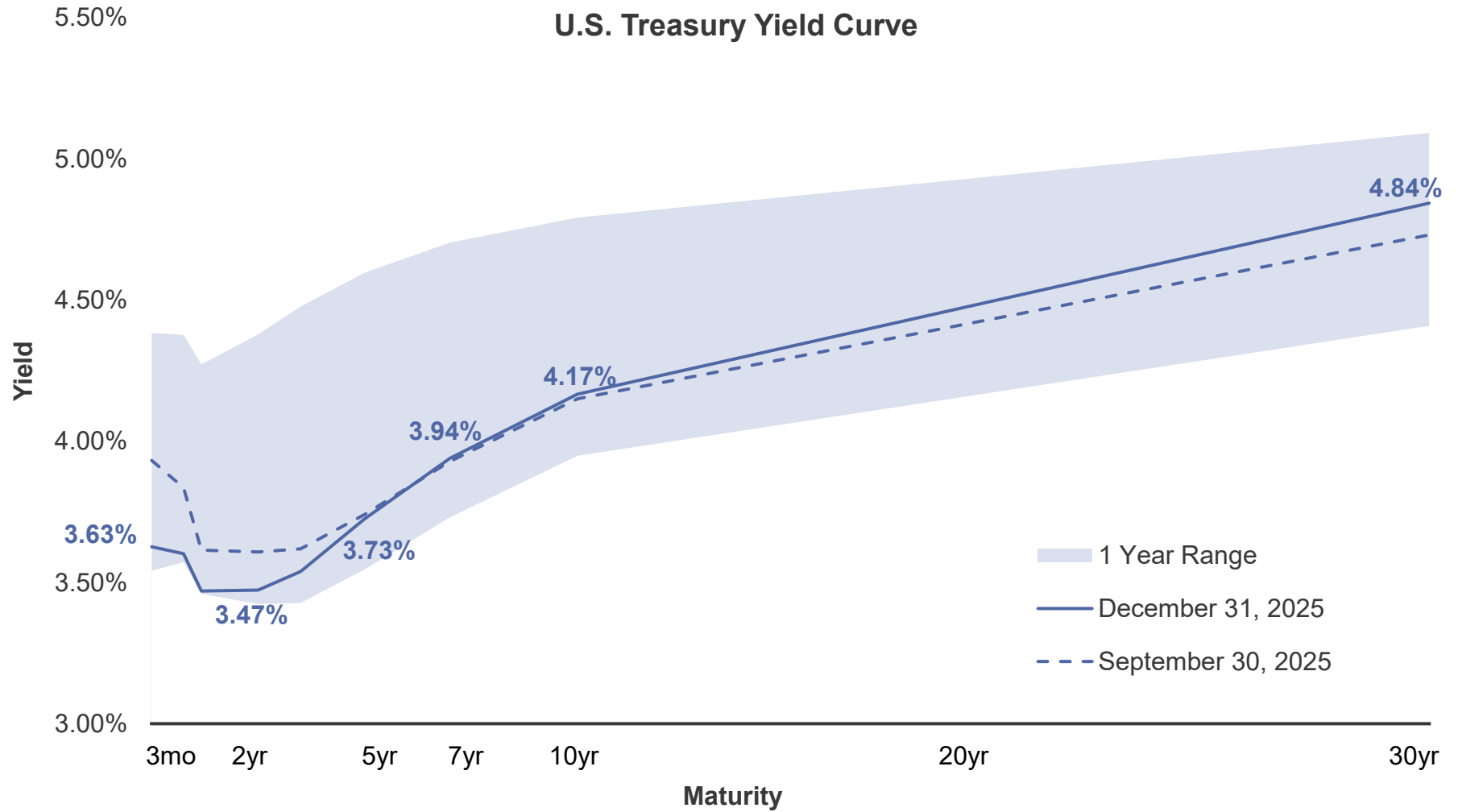
## Treasury Yields Range Bound As Volatility Wanes

### 2-Year U.S. Treasury Yield September 30, 2025 – December 31, 2025



Source: Bloomberg Finance L.P., as of December 31, 2025.

### Treasury Yield Curve Nears Dis-inversion



Source: Bloomberg Finance L.P., as of December 31, 2025.

## Sector Yield Spreads

### 1-5 Year Yield Spreads

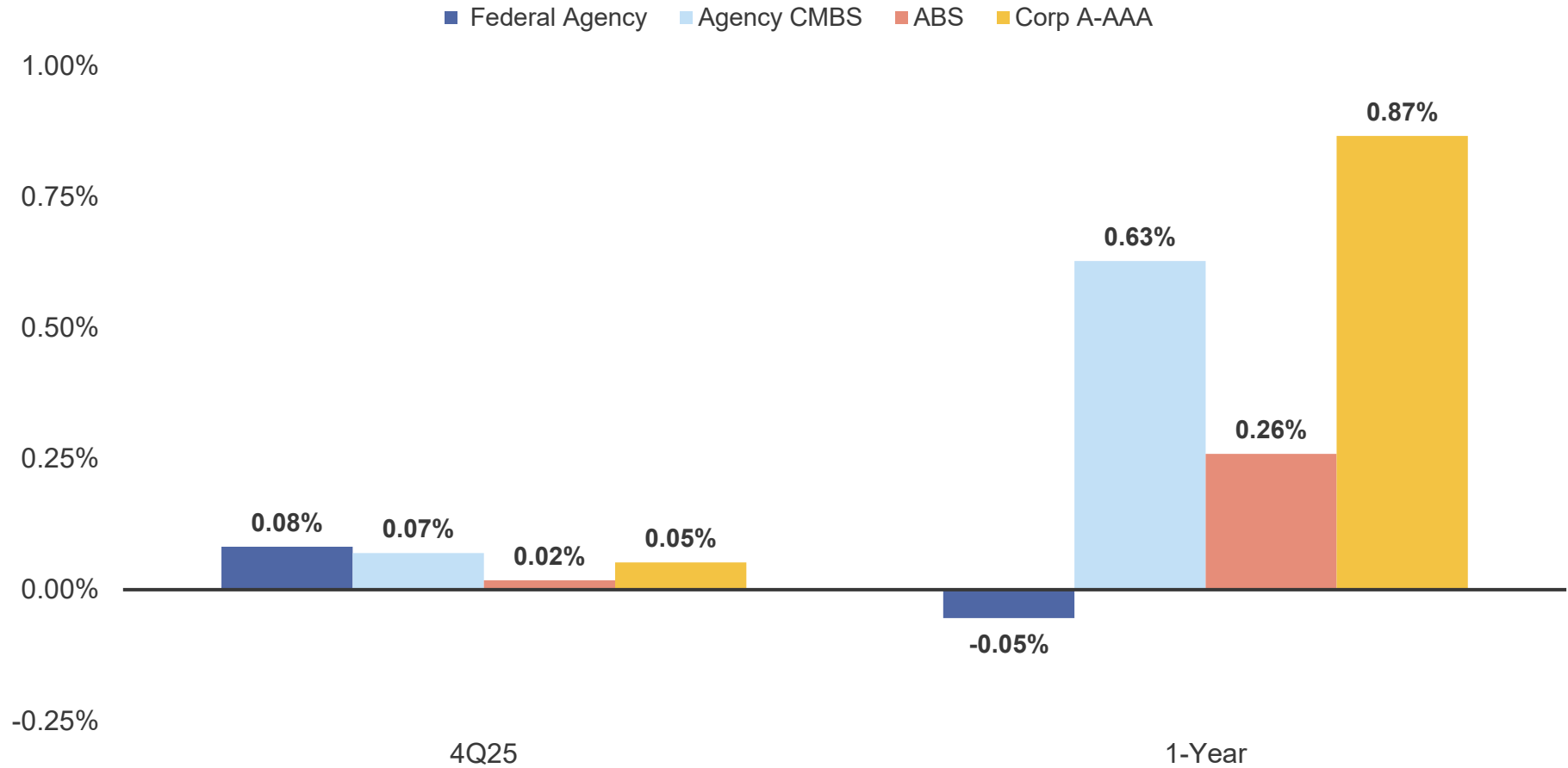
■ 2025 Range ● Dec-25 Spread



Source: ICE BofA 1-5 year Indices via Bloomberg Finance L.P. as of December 31, 2025. Spreads on ABS and MBS are option-adjusted spreads based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities and represented by the ICE BofA Agency CMBS Index.

## Fixed-Income Index Excess Returns

### Excess Returns 1-5 Year Indices

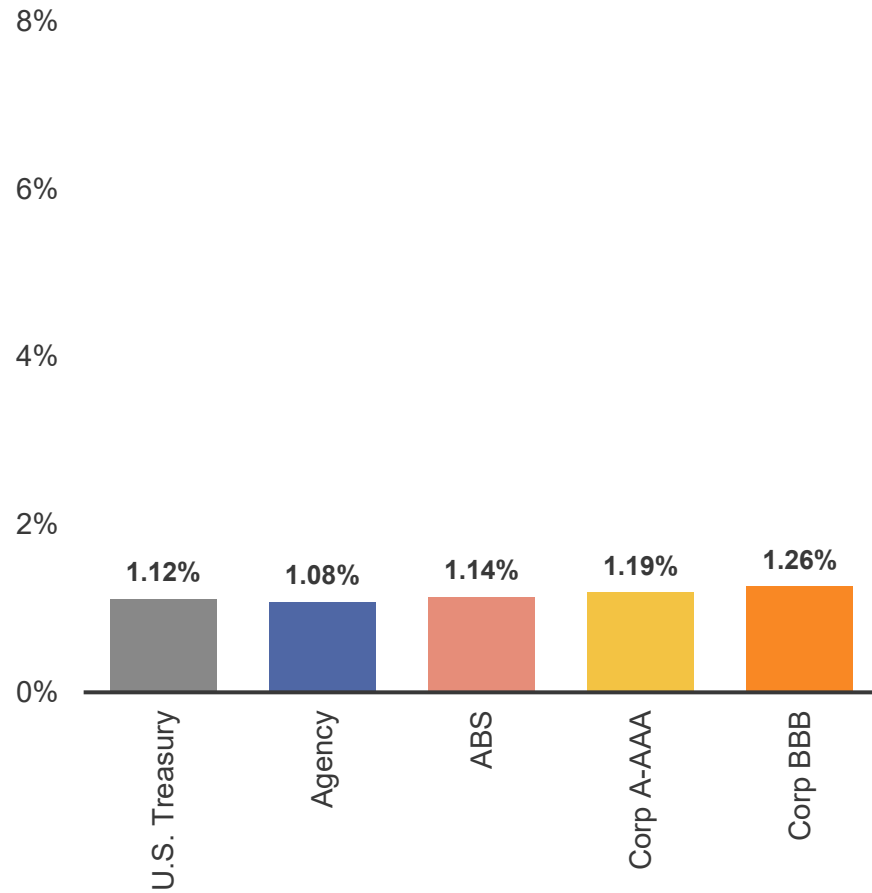


Source: ICE BofA Indices. ABS indices are 0-5 year, based on weighted average life. Agency CMBS represented by ICE BofA CMBY Index. As of December 31, 2025.

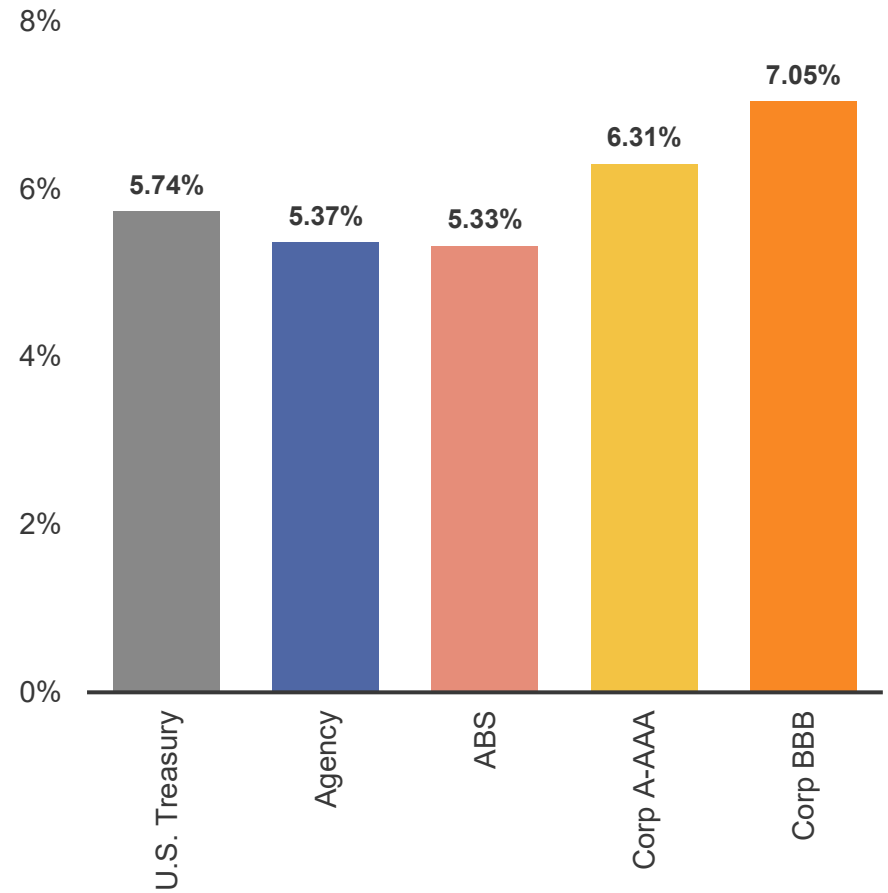
## Fixed-Income Index Total Returns in 4Q 2025

### 1-5 Year Indices

Fourth Quarter 2025 Returns



1-Year Return



Source: ICE BofA Indices. ABS Indices are 0-5 year, based on weighted average life. As of December 31, 2025.

## Treasury Yields Remain Above Historical Averages

### 2-Year Treasury Yield



Source: Bloomberg Finance L.P., as of December 31, 2025.

### Fixed-Income Sector Commentary – 1Q 2026

Sector	Our Investment Preferences
COMMERCIAL PAPER / CD	
TREASURIES	
T-Bill	
T-Note	
FEDERAL AGENCIES	
Bullets	
Callables	
SUPRANATIONALS	
CORPORATES	
Financials	
Industrials	
SECURITIZED	
Asset-Backed	
Agency Mortgage-Backed	
Agency CMBS	
MUNICIPALS	



## Fixed-Income Sector Commentary – 4Q 2025

- ▶ The **Federal Open Market Committee (FOMC)** lowered the target range for the federal funds rate by 50 bps in Q4 but noted continuing challenges to achieving its dual mandate of maximum employment and stable prices.
- ▶ The **U.S. Treasury** yield curve steepened in response to the Fed as yields on the short end fell more than intermediate (2- to 5-year) maturities. Returns across 1-3, 1-5, and 1-10 Treasury benchmarks were similar over the quarter. Yields on longer-maturity securities increased, hurting performance for longer indices lower.
- ▶ **Federal Agency & supranational** issuance remained limited, keeping spreads narrow and excess returns muted. The ongoing privatization efforts of Fannie Mae and Freddie Mac remain a focus, though no substantial progress has been shared publicly
- ▶ **Investment-Grade (IG) corporate** bonds generated modest excess returns as spreads were relatively stable over the quarter. Lower-quality led performance, supported by strong investor demand. Positive carry remained the primary driver of returns.
- ▶ Spreads on **Asset-Backed Securities** widened marginally, keeping excess returns modest. Auto loan collateral marginally outperformed credit receivables.
- ▶ **Agency-backed mortgage-backed securities (MBS)** generated solid excess returns in Q4 and were a consistent top performer during the second half of the year. Longer-duration mortgages (30-year) outperformed shorter-duration (15-year) collateral. Lower bond volatility over the past few months continues to serve as a tailwind to the sector. **Agency-backed commercial MBS (CMBS)** also generated positive excess returns for the quarter but continue to lag residential MBS.
- ▶ **Short-term credit** (commercial paper and negotiable bank CDs) yield spreads remained attractive over the quarter. Month-end funding pressures pushed repo rates above the upper bound of the federal funds rate, which created opportunities to add overnight repo and floating rate securities tied to SOFR.

*The views expressed within this material constitute the perspective and judgment of PFM Asset Management at the time of distribution (12/31/2025) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management cannot guarantee its accuracy, completeness, or suitability.*

## Fixed-Income Sector Outlook – 1Q 2026

- ▶ **U.S. Treasury** yields remain reasonably attractive and near fair value. For shorter duration strategies, we prefer a modestly longer duration stance as we expect Fed policy to have a more direct impact on front-end yields. For longer duration strategies, we will maintain a curve steepening bias by modestly underweighting the long end of the curve.
- ▶ **Federal Agency & Supranational** spreads are likely to remain at tight levels. Government-only accounts may find occasional value on an issue-by-issue basis.
- ▶ **Taxable Municipals** continue to present limited opportunity due to an ongoing lack of supply and strong demand which is keeping yields low. We do not expect this to change in the near term.
- ▶ **Investment-Grade (IG) Corporate** bond fundamentals remain stable with technicals supportive of the sector. All-in yields remain reasonably attractive, though stretched valuations continue to argue for discipline and caution. We will continue to look for opportunities across new issue and secondary markets.
- ▶ **Asset-Backed Securities** fundamentals remain within expectations while credit enhancements remain robust. We expect supply to be well-digested, limiting new issue attractiveness. Household balance sheets for prime borrowers remain healthy, though further cooling in the labor market remains a risk. We expect spreads to remain stable with carry the driver of excess returns into 2026.
- ▶ **Mortgage-Backed Securities** is expected to increase modestly in 2026 and could present opportunity should spreads widen from current narrow levels. We may look to add to the sector on any increases in volatility.
- ▶ **Short-term credit** (commercial paper and negotiable bank CDs) spreads in Q1 are expected to be primarily driven by the FOMC's monetary policy decisions. We have a bias for longer weighted average maturities due to the flatness of the yield curve. Longer-maturity fixed rate securities are also an opportunity entering 2026 given positive carry and the potential for further Fed rate cuts.

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## Factors to Consider for 6-12 Months

### Monetary Policy (Global):



- The Fed cut rates by 50 bps in Q4 but noted continuing challenges to achieving its dual mandate of maximum employment and stable prices.
- The “dot plot” indicates 25 bps of projected cuts in both 2026 and 2027, but the wide dispersion underscores growing differences of opinion.
- Markets view policy risks as skewed towards additional easing assuming a more dovish Chair takes office in mid-2026 as expected.
- Most major central banks have continued easing with the BOJ being the notable exception.

### Economic Growth (Global):



- Strong consumer and business spending and steadier trade dynamics continue to fuel economic growth.
- The effects of U.S. government shutdown are expected to be temporary and fully recouped in 1Q26.
- Benefits from the tax and reconciliation bill and increases in anticipated AI capex are expected to support growth in 2026.

### Inflation (U.S.):



- While headline inflation moved lower in Q4, significant gaps in data collection due to the U.S. government shutdown likely biased the data lower.
- Lower shelter inflation continues to support disinflation going forward although goods prices continue to experience tariff passthroughs.
- Fed Chair Powell noted inflation excluding tariffs is near 2%, suggesting the Fed is looking through these effects.

### Financial Conditions (U.S.):



- Financial conditions eased further as corporate earnings exceeded expectations and tariff concerns abated.
- Equities reached new all-time highs, credit spreads remain tight, and volatility remains low.
- Fiscal uncertainty and geopolitical risks could reintroduce tighter financial conditions over the next 6-12 months.

### Consumer Spending (U.S.):



- Consumer confidence sank given a more pessimistic views of the labor market, particularly among lower-income cohorts.
- Consumer activity remained resilient through the holiday shopping season, highlighting the disconnect between sentiment and actual activity.
- Consumer spending is dominated by higher-income cohorts who benefit from elevated wage growth, strong equity markets, and home price appreciation.
- A significant correction in the equity market or a material slowdown in the labor market are the largest threats to consumer spending.

### Labor Markets (U.S.):



- Labor market conditions continued to cool with net new job creation close to zero with gains concentrated in the healthcare sector.
- The breakeven employment level to keep pace with labor force growth has fallen. Initial jobless claims and layoff rates remains low, easing some concerns over labor weakness.
- The unemployment rate continued to tick higher, while job openings declined and the quits rate remain subdued, signaling reduced worker leverage.
- Wage growth continues to exceed inflation, supporting consumer spending.

● Current outlook ○ Outlook one quarter ago

Stance Unfavorable to Risk Assets

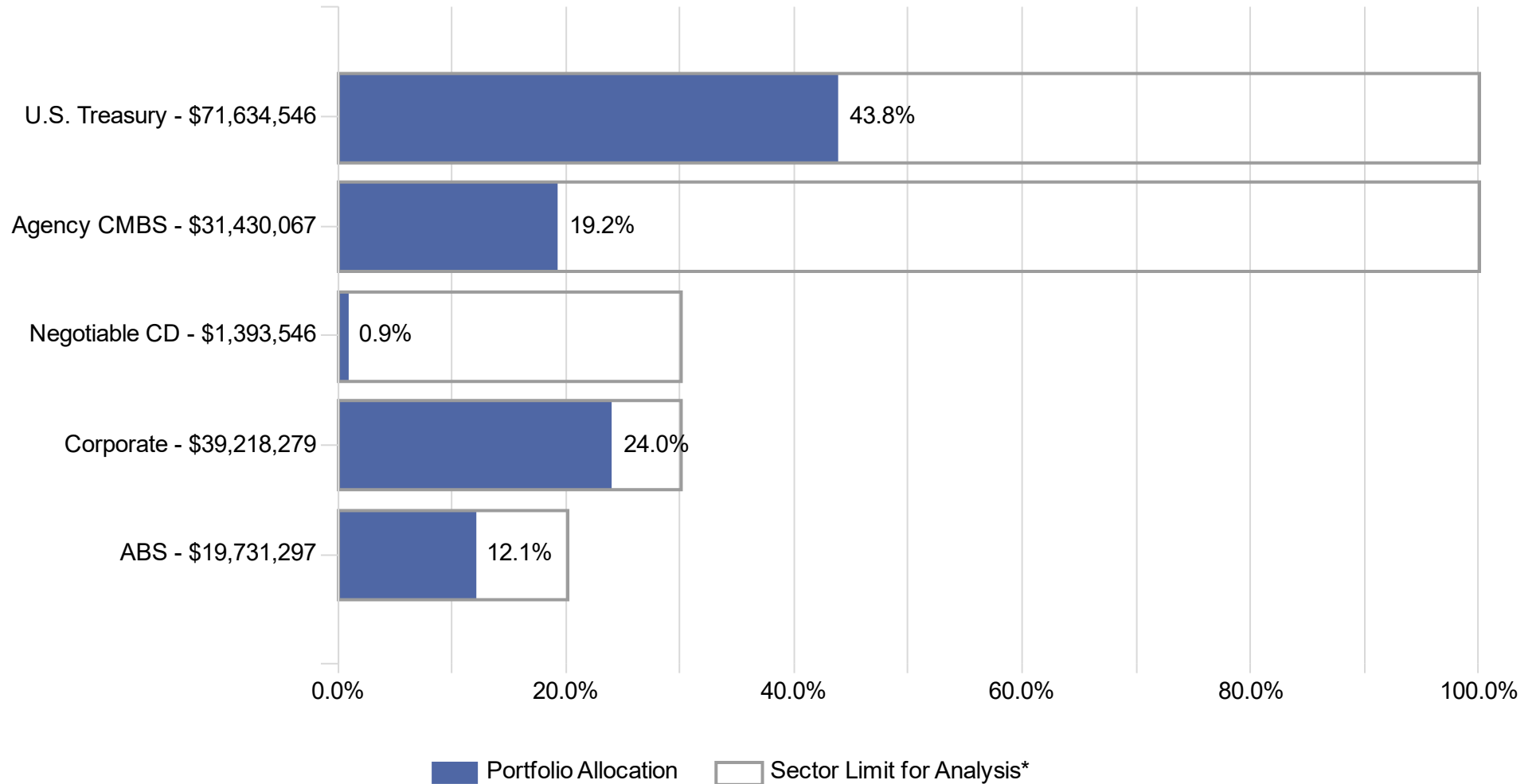


Stance Favorable to Risk Assets

Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg Finance L.P. and FactSet. The views expressed within this material constitute the perspective and judgment of PFM Asset Management at the time of distribution (12/31/2025) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management cannot guarantee its accuracy, completeness, or suitability.

# Account Summary

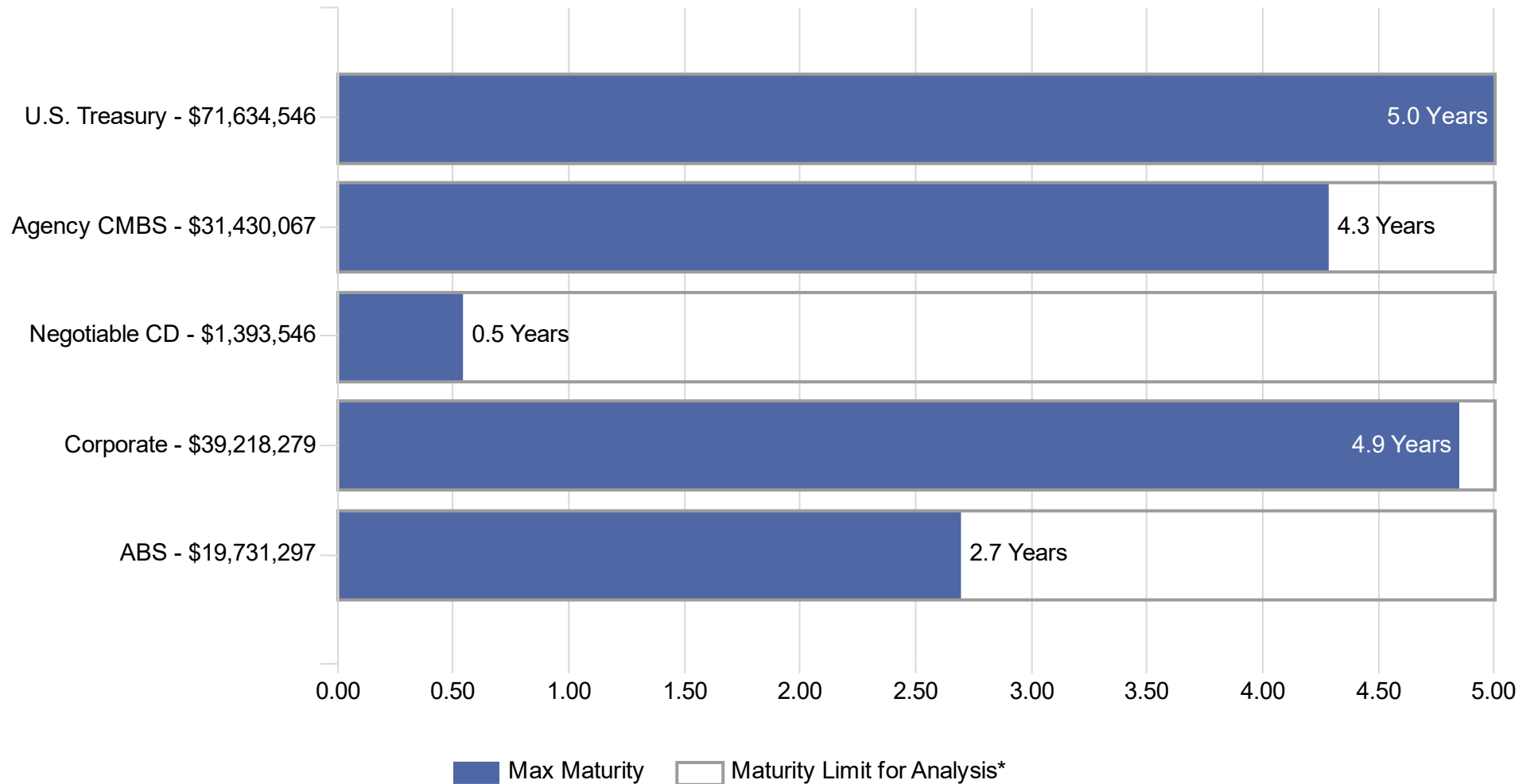
### Sector Allocation Analytics



*For informational/analytical purposes only and is not provided for compliance assurance. Includes accrued interest.*

*\*Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided.*

### Max Maturity Analytics



*For informational/analytical purposes only and is not provided for compliance assurance. Includes accrued interest and excludes balances invested in overnight funds.*

*\*Maturity Limit for Analysis is derived from our interpretation of your most recent Investment Policy as provided.*

*Mortgage-backed securities and asset-backed securities, if any, limit is based on weighted average life, if applicable. Callable securities, if any, limit is based on maturity date.*

## Certificate of Compliance

During the reporting period for the quarter ended December 31, 2025, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc.*

*Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Financial LP Asset and Investment Management ("AIM").*

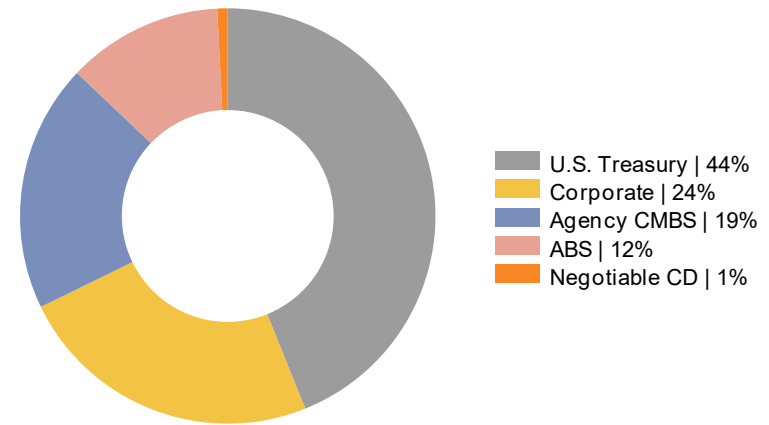
# Portfolio Review: ZONE 7 WATER AGENCY

## Portfolio Snapshot - ZONE 7 WATER AGENCY<sup>1</sup>

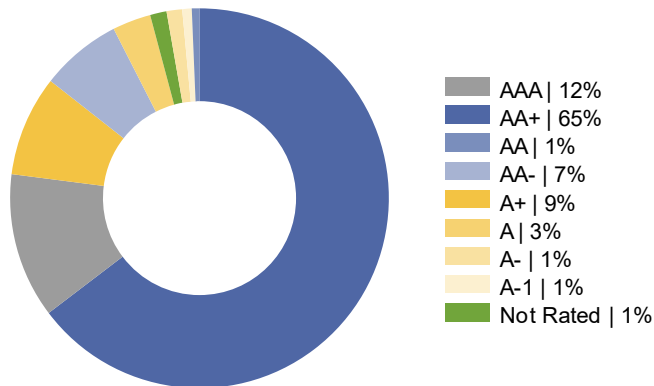
### Portfolio Statistics

<b>Total Market Value</b>	\$168,441,759.96
<i>Securities Sub-Total</i>	\$162,356,768.97
<i>Accrued Interest</i>	\$1,050,965.70
<i>Cash</i>	\$5,034,025.29
<b>Portfolio Effective Duration</b>	2.52 years
<b>Benchmark Effective Duration</b>	2.47 years
<b>Yield At Cost</b>	4.16%
<b>Yield At Market</b>	3.74%
<b>Portfolio Credit Quality</b>	AA

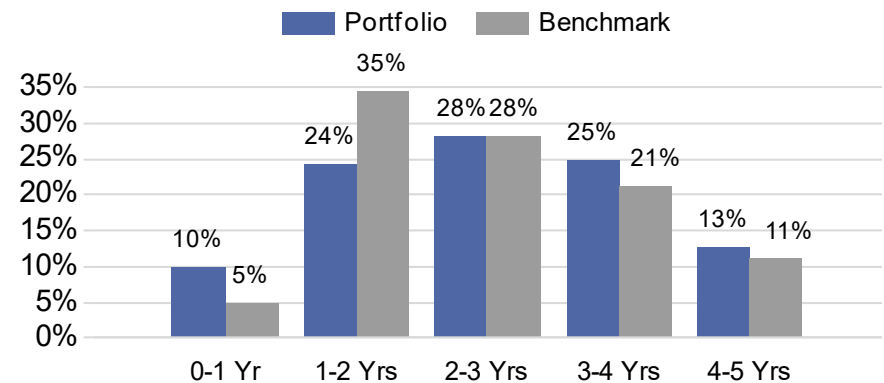
### Sector Allocation



### Credit Quality - S&P



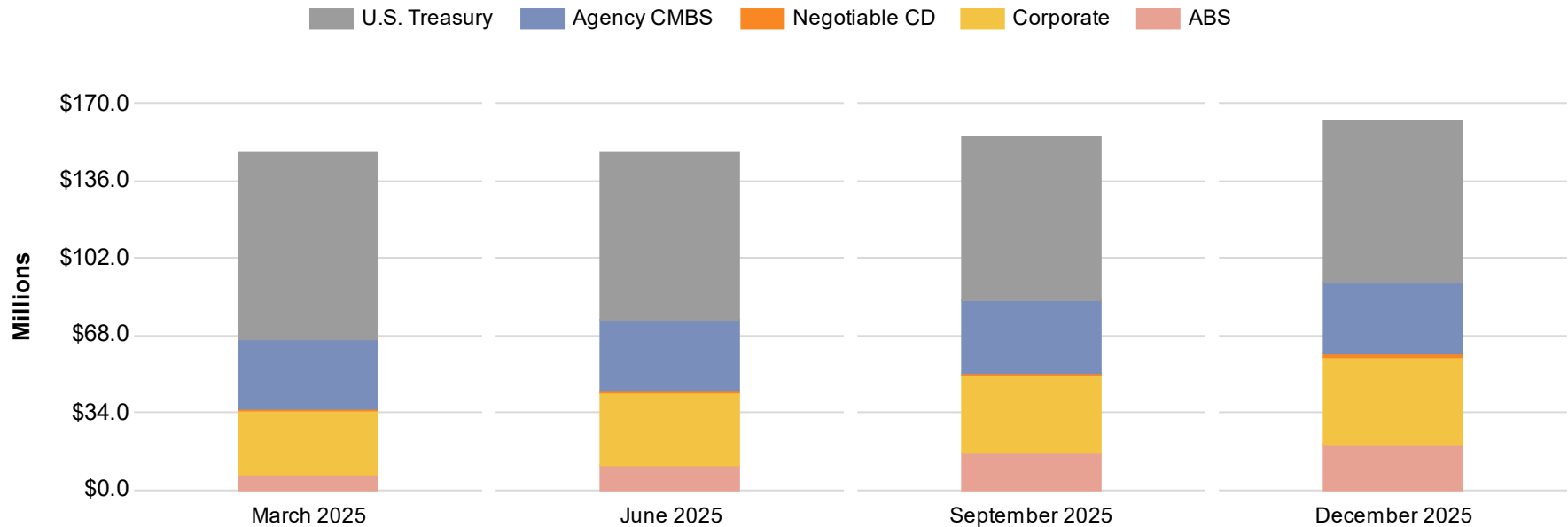
### Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest. The portfolio's benchmark is the ICE BofA 1-5 Year U.S. Treasury Index. Source: Bloomberg Financial LP. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

### Sector Allocation Review - ZONE 7 WATER AGENCY

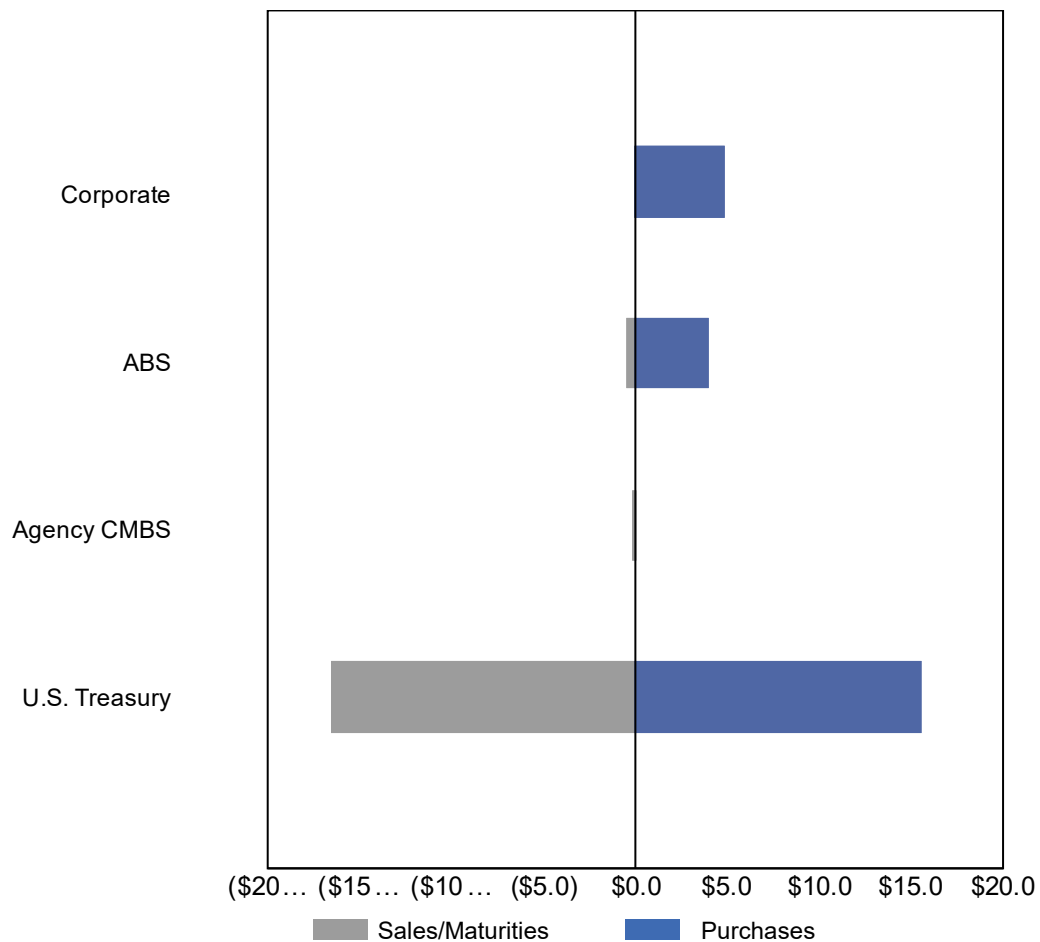
Security Type	Mar-25	% of Total	Jun-25	% of Total	Sep-25	% of Total	Dec-25	% of Total
U.S. Treasury	\$81.5	55.0%	\$74.0	50.0%	\$71.9	46.4%	\$71.2	43.9%
Agency CMBS	\$30.5	20.6%	\$30.6	20.6%	\$31.4	20.3%	\$31.3	19.3%
Negotiable CD	\$1.4	0.9%	\$1.4	0.9%	\$1.4	0.9%	\$1.4	0.8%
Corporate	\$27.7	18.8%	\$32.1	21.6%	\$34.0	21.9%	\$38.8	23.9%
ABS	\$6.9	4.7%	\$10.3	6.9%	\$16.2	10.5%	\$19.7	12.1%
<b>Total</b>	<b>\$148.0</b>	<b>100.0%</b>	<b>\$148.4</b>	<b>100.0%</b>	<b>\$154.9</b>	<b>100.0%</b>	<b>\$162.4</b>	<b>100.0%</b>



Market values, excluding accrued interest. Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM. Detail may not add to total due to rounding.

## Portfolio Activity - ZONE 7 WATER AGENCY

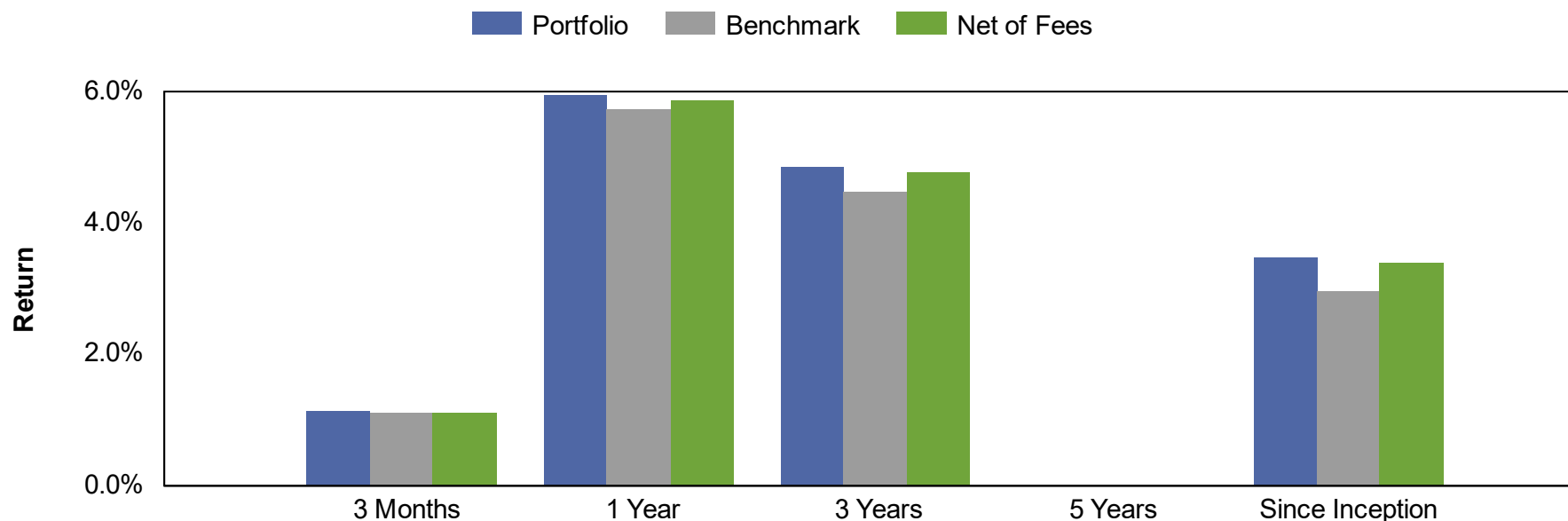
**Net Activity by Sector**  
(\$ millions)



Sector	Net Activity
Corporate	\$4,810,954
ABS	\$3,497,369
Agency CMBS	(\$153,134)
U.S. Treasury	(\$1,045,734)
<b>Total Net Activity</b>	<b>\$7,109,455</b>

Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

### Portfolio Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception <sup>1</sup>
Interest Earned <sup>2</sup>	\$1,584,773	\$5,644,003	\$12,584,005	-	\$13,840,210
Change in Market Value	\$296,052	\$3,395,504	\$8,217,269	-	\$5,134,783
<b>Total Dollar Return</b>	<b>\$1,880,825</b>	<b>\$9,039,507</b>	<b>\$20,801,274</b>	<b>-</b>	<b>\$18,974,993</b>
<b>Total Return<sup>3</sup></b>					
Portfolio	1.14%	5.94%	4.86%	-	3.47%
Benchmark <sup>4</sup>	1.12%	5.74%	4.48%	-	2.96%
<b>Basis Point Fee</b>	<b>0.02%</b>	<b>0.07%</b>	<b>0.07%</b>	<b>-</b>	<b>0.07%</b>
<b>Net of Fee Return</b>	<b>1.13%</b>	<b>5.88%</b>	<b>4.79%</b>	<b>-</b>	<b>3.40%</b>

1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is March 31, 2022.

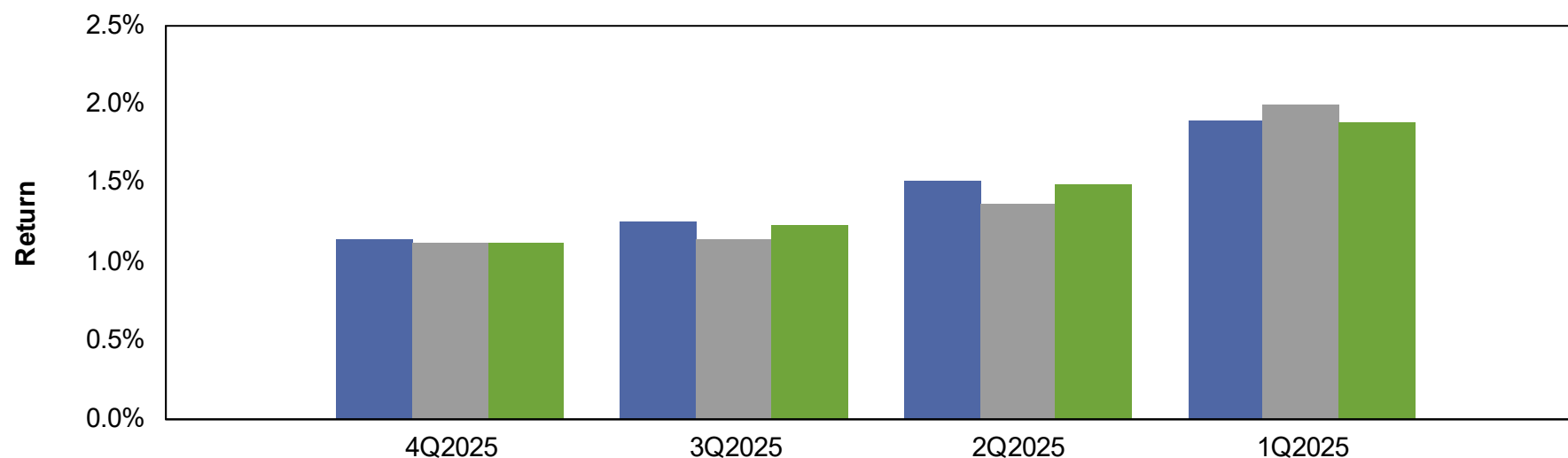
2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

4. The portfolio's benchmark is the ICE BofA 1-5 Year U.S. Treasury Index. Source: Bloomberg Financial LP.

### Portfolio Performance

■ Portfolio ■ Benchmark ■ Net of Fees



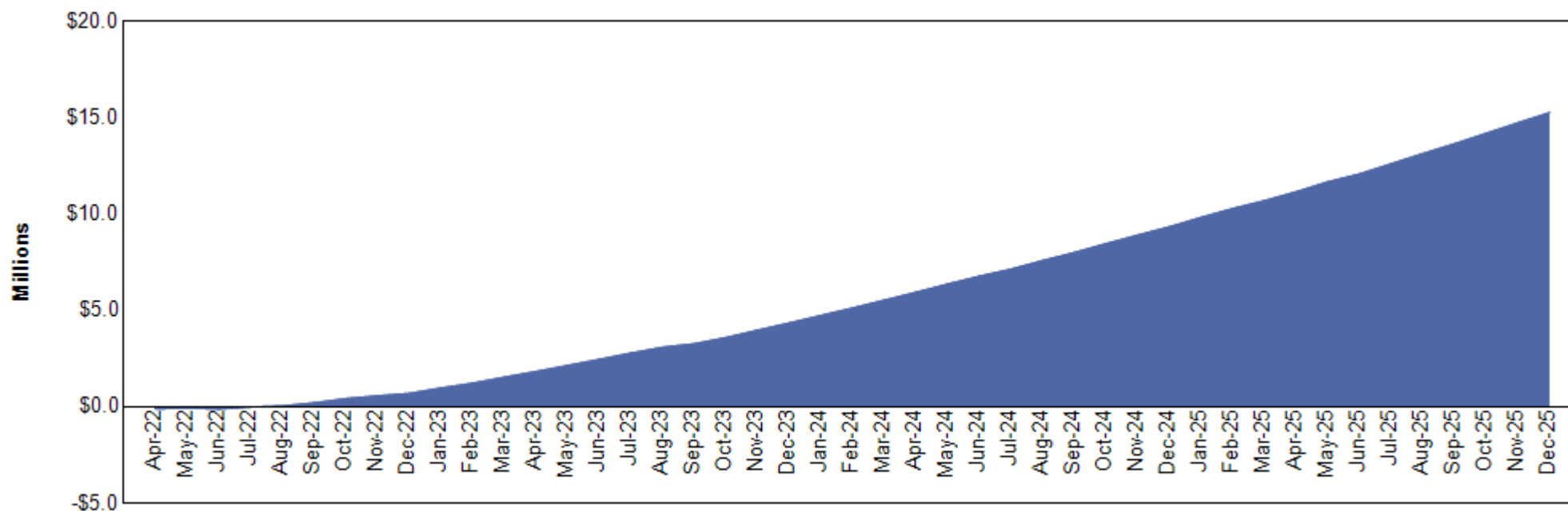
Market Value Basis Earnings	4Q2025	3Q2025	2Q2025	1Q2025
Interest Earned <sup>1</sup>	\$1,584,773	\$1,436,884	\$1,357,548	\$1,264,798
Change in Market Value	\$296,052	\$519,004	\$959,050	\$1,621,398
<b>Total Dollar Return</b>	<b>\$1,880,825</b>	<b>\$1,955,888</b>	<b>\$2,316,598</b>	<b>\$2,886,196</b>
<b>Total Return<sup>2</sup></b>				
Portfolio	1.14%	1.25%	1.52%	1.91%
Benchmark <sup>3</sup>	1.12%	1.14%	1.36%	2.00%
<b>Basis Point Fee</b>	0.02%	0.02%	0.02%	0.02%
<b>Net of Fee Return</b>	1.13%	1.24%	1.50%	1.89%

1. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

2. Returns are presented on a periodic basis.

3. The portfolio's benchmark is the ICE BofA 1-5 Year U.S. Treasury Index. Source: Bloomberg Financial LP.

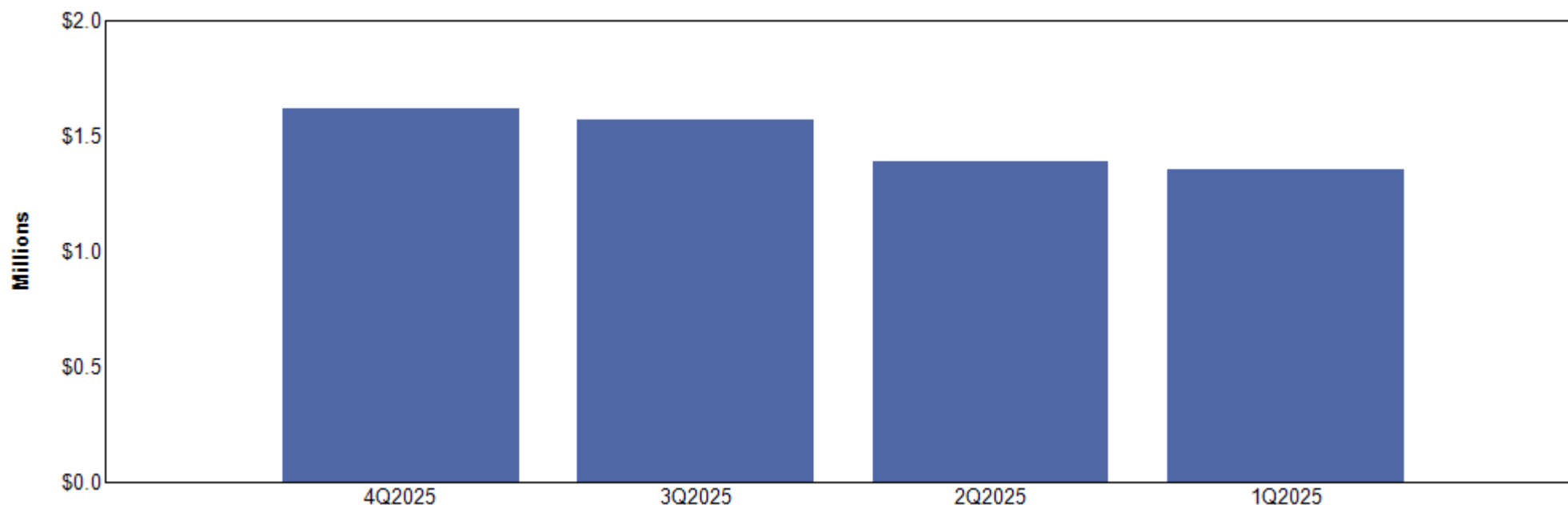
### Accrual Basis Earnings - ZONE 7 WATER AGENCY



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception <sup>1</sup>
Interest Earned <sup>2</sup>	\$1,584,773	\$5,644,003	\$12,584,005	-	\$13,840,210
Realized Gains / (Losses) <sup>3</sup>	(\$78,566)	(\$359,801)	(\$959,946)	-	(\$1,961,664)
Change in Amortized Cost	\$110,366	\$644,938	\$2,949,420	-	\$3,384,363
<b>Total Earnings</b>	<b>\$1,616,573</b>	<b>\$5,929,140</b>	<b>\$14,573,480</b>	-	<b>\$15,262,909</b>

1. The lesser of 10 years or since inception is shown. Performance inception date is March 31, 2022.  
 2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.  
 3. Realized gains / (losses) are shown on an amortized cost basis.

### Accrual Basis Earnings - ZONE 7 WATER AGENCY



Accrual Basis Earnings	4Q2025	3Q2025	2Q2025	1Q2025
Interest Earned <sup>1</sup>	\$1,584,773	\$1,436,884	\$1,357,548	\$1,264,798
Realized Gains / (Losses) <sup>2</sup>	(\$78,566)	(\$25,376)	(\$137,248)	(\$118,612)
Change in Amortized Cost	\$110,366	\$155,731	\$170,104	\$208,737
<b>Total Earnings</b>	<b>\$1,616,573</b>	<b>\$1,567,239</b>	<b>\$1,390,404</b>	<b>\$1,354,923</b>

1. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

2. Realized gains / (losses) are shown on an amortized cost basis.

# Portfolio Holdings and Transactions

## Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
<b>U.S. Treasury</b>	<b>43.8%</b>	
United States Treasury	43.8%	AA / Aa / AA
<b>Agency CMBS</b>	<b>19.2%</b>	
Federal Home Loan Mortgage Corp	18.4%	AA / Aa / AA
Federal National Mortgage Association	0.8%	AA / Aa / AA
<b>Negotiable CD</b>	<b>0.9%</b>	
Cooperatieve Rabobank UA	0.9%	A / Aa / AA
<b>Corporate</b>	<b>24.0%</b>	
Adobe Inc	0.6%	A / A / NR
Alphabet Inc	0.1%	AA / Aa / NR
Apple Inc	1.4%	AA / Aaa / NR
Bank of America Corp	1.3%	A / A / AA
Bank of New York Mellon Corp	1.5%	AA / Aa / AA
BlackRock Inc	1.4%	AA / Aa / NR
Cisco Systems Inc	1.5%	AA / A / NR
Citigroup Inc	1.3%	A / Aa / A
Deere & Co	0.6%	A / A / A
Eli Lilly & Co	0.7%	A / Aa / NR
Goldman Sachs Group Inc	0.7%	A / A / A
Home Depot Inc	0.8%	A / A / A
JPMorgan Chase & Co	1.2%	AA / Aa / AA
Kenvue Inc	0.5%	A / A / NR
Mastercard Inc	0.6%	A / Aa / NR
Microsoft Corp	1.3%	AAA / Aaa / NR
Morgan Stanley	0.8%	A / Aa / AA
National Rural Utilities Cooperative Fi	0.4%	NR / A / A
Novartis AG	1.3%	AA / Aa / NR

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
<b>Corporate</b>	<b>24.0%</b>	
PACCAR Inc	0.6%	A / A / NR
PepsiCo Inc	0.7%	A / A / NR
State Street Corp	0.4%	A / Aa / AA
Target Corp	0.8%	A / A / A
Texas Instruments Inc	0.7%	A / Aa / NR
Toyota Motor Corp	0.6%	A / A / A
Walmart Inc	0.6%	AA / Aa / AA
Wells Fargo & Co	1.2%	A / Aa / AA
<b>ABS</b>	<b>12.1%</b>	
Ally Auto Receivables Trust	0.2%	AAA / NR / AAA
American Express Co	1.2%	AAA / NR / AAA
BA Credit Card Trust	0.7%	AAA / Aaa / AAA
Capital One Financial Corp	0.8%	AAA / NR / AAA
Chase Auto Owner Trust	0.3%	NR / Aaa / AAA
Citigroup Inc	0.9%	AAA / Aaa / NR
Ford Credit Auto Owner Trust	0.4%	NR / Aaa / AAA
GM Financial Consumer Automobile Receiv	0.2%	AAA / Aaa / AAA
Honda Auto Receivables Owner Trust	1.6%	AAA / Aaa / AAA
Hyundai Auto Receivables Trust	1.9%	AAA / NR / AAA
JPMorgan Chase & Co	2.1%	AAA / NR / AAA
Toyota Auto Receivables Owner Trust	1.4%	AAA / Aaa / AAA
USAA Auto Owner Trust	0.2%	AAA / Aaa / NR
<b>Total</b>	<b>100.0%</b>	

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.

**Issuer Distribution  
As of December 31, 2025**

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	71,182,441	43.84%
FEDERAL HOME LOAN MORTGAGE CORP	29,990,308	18.47%
JPMORGAN CHASE & CO	5,468,550	3.37%
CITIGROUP INC	3,588,547	2.21%
HYUNDAI AUTO RECEIVABLES TRUST	3,140,449	1.93%
HONDA AUTO RECEIVABLES OWNER TRUST	2,685,680	1.65%
CISCO SYSTEMS INC	2,463,389	1.52%
BANK OF NEW YORK MELLON CORP	2,388,705	1.47%
APPLE INC	2,317,480	1.43%
TOYOTA AUTO RECEIVABLES OWNER TRUST	2,281,048	1.40%
BLACKROCK INC	2,233,571	1.38%
BANK OF AMERICA CORP	2,159,829	1.33%
NOVARTIS AG	2,132,724	1.31%
MICROSOFT CORP	2,066,970	1.27%
WELLS FARGO & CO	1,961,161	1.21%
AMERICAN EXPRESS CO	1,941,580	1.20%
MORGAN STANLEY	1,376,934	0.85%
HOME DEPOT INC	1,368,037	0.84%
COOPERATIEVE RABOBANK UA	1,362,304	0.84%
TARGET CORP	1,350,275	0.83%
CAPITAL ONE FINANCIAL CORP	1,340,727	0.83%
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1,320,689	0.81%
TEXAS INSTRUMENTS INC	1,183,403	0.73%
BA CREDIT CARD TRUST	1,178,218	0.73%

For the Quarter Ended December 31, 2025

## ZONE 7 WATER AGENCY

Portfolio Composition

Issuer	Market Value (\$)	% of Portfolio
GOLDMAN SACHS GROUP INC	1,156,027	0.71%
ELI LILLY & CO	1,110,661	0.68%
PEPSICO INC	1,071,622	0.66%
WALMART INC	1,041,171	0.64%
DEERE & CO	1,021,793	0.63%
ADOBE INC	1,015,245	0.63%
PACCAR INC	1,002,565	0.62%
TOYOTA MOTOR CORP	995,252	0.61%
MASTERCARD INC	968,644	0.60%
KENVUE INC	868,401	0.53%
STATE STREET CORP	693,817	0.43%
FORD CREDIT AUTO OWNER TRUST	587,068	0.36%
NATIONAL RURAL UTILITIES COOPERATIVE FI	567,956	0.35%
CHASE AUTO OWNER TRUST	530,390	0.33%
USAA AUTO OWNER TRUST	365,908	0.23%
GM FINANCIAL CONSUMER AUTOMOBILE RECEIV	355,281	0.22%
ALLY AUTO RECEIVABLES TRUST	325,998	0.20%
ALPHABET INC	195,951	0.12%
<b>Grand Total</b>	<b>162,356,769</b>	<b>100.00%</b>

### Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury</b>											
US TREASURY N/B DTD 02/15/2017 2.250% 02/15/2027	912828V98	2,800,000.00	AA+	Aa1	7/5/2022	7/7/2022	2,727,593.75	2.85	23,796.20	2,782,371.40	2,761,281.60
US TREASURY N/B DTD 04/30/2020 0.500% 04/30/2027	912828ZN3	5,775,000.00	AA+	Aa1	8/3/2022	8/5/2022	5,161,406.25	2.92	4,945.44	5,603,236.34	5,552,795.33
US TREASURY N/B DTD 05/15/2017 2.375% 05/15/2027	912828X88	6,220,000.00	AA+	Aa1	6/10/2022	6/13/2022	5,966,826.56	3.28	19,179.77	6,149,697.53	6,126,214.84
US TREASURY N/B DTD 06/30/2020 0.500% 06/30/2027	912828ZV5	2,750,000.00	AA+	Aa1	8/9/2022	8/10/2022	2,440,410.16	2.99	37.98	2,655,475.37	2,631,513.50
US TREASURY N/B DTD 08/15/2017 2.250% 08/15/2027	9128282R0	2,570,000.00	AA+	Aa1	9/1/2022	9/6/2022	2,436,580.86	3.40	21,841.51	2,526,291.18	2,520,005.79
US TREASURY N/B DTD 10/31/2022 4.125% 10/31/2027	91282CFU0	2,160,000.00	AA+	Aa1	12/13/2022	12/14/2022	2,207,418.75	3.63	15,260.22	2,177,775.38	2,183,963.04
US TREASURY N/B DTD 11/17/1997 6.125% 11/15/2027	912810FB9	830,000.00	AA+	Aa1	1/26/2023	1/30/2023	920,813.67	3.62	6,600.45	865,443.28	869,295.52
US TREASURY N/B DTD 02/18/2025 4.250% 02/15/2028	91282CMN8	100,000.00	AA+	Aa1	9/3/2025	9/4/2025	101,539.06	3.59	1,605.30	101,343.00	101,527.30
US TREASURY N/B DTD 04/15/2025 3.750% 04/15/2028	91282CMW8	3,925,000.00	AA+	Aa1	10/15/2025	10/16/2025	3,949,377.93	3.49	31,540.18	3,947,386.86	3,945,390.37
US TREASURY N/B DTD 04/30/2024 4.625% 04/30/2029	91282CKP5	1,530,000.00	AA+	Aa1	5/30/2024	5/31/2024	1,532,211.33	4.59	12,119.54	1,531,551.00	1,579,426.65
US TREASURY N/B DTD 04/30/2024 4.625% 04/30/2029	91282CKP5	475,000.00	AA+	Aa1	5/2/2024	5/3/2024	476,076.17	4.57	3,762.60	475,744.28	490,344.88
US TREASURY N/B DTD 07/01/2024 4.250% 06/30/2029	91282CKX8	4,740,000.00	AA+	Aa1	7/2/2024	7/3/2024	4,713,152.34	4.38	556.49	4,720,598.72	4,840,170.42
US TREASURY N/B DTD 07/31/2024 4.000% 07/31/2029	91282CLC3	230,000.00	AA+	Aa1	8/1/2024	8/2/2024	231,608.20	3.84	3,850.00	231,184.33	232,973.90
US TREASURY N/B DTD 09/03/2024 3.625% 08/31/2029	91282CLK5	3,420,000.00	AA+	Aa1	9/4/2024	9/5/2024	3,427,080.47	3.58	42,124.10	3,425,327.74	3,419,466.48
US TREASURY N/B DTD 10/31/2024 4.125% 10/31/2029	91282CLR0	445,000.00	AA+	Aa1	10/30/2024	10/31/2024	444,634.96	4.14	3,143.89	444,714.48	452,613.51

ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury</b>											
US TREASURY N/B DTD 12/02/2024 4.125% 11/30/2029	91282CMA6	7,280,000.00	AA+	Aa1	12/5/2024	12/6/2024	7,293,081.25	4.08	26,400.00	7,290,506.91	7,405,696.48
US TREASURY N/B DTD 01/31/2025 4.250% 01/31/2030	91282CMG3	1,585,000.00	AA+	Aa1	2/4/2025	2/5/2025	1,579,118.16	4.33	28,189.74	1,580,098.14	1,620,229.80
US TREASURY N/B DTD 02/28/2023 4.000% 02/28/2030	91282CGQ8	5,065,000.00	AA+	Aa1	3/4/2025	3/5/2025	5,075,288.28	3.95	68,839.23	5,073,720.39	5,129,497.71
US TREASURY N/B DTD 03/31/2025 4.000% 03/31/2030	91282CMU2	1,725,000.00	AA+	Aa1	4/1/2025	4/2/2025	1,733,625.00	3.89	17,629.12	1,732,437.11	1,746,966.15
US TREASURY N/B DTD 03/31/2025 4.000% 03/31/2030	91282CMU2	2,030,000.00	AA+	Aa1	4/11/2025	4/14/2025	2,014,299.22	4.17	20,746.15	2,016,378.13	2,055,850.02
US TREASURY N/B DTD 09/02/2025 3.625% 08/31/2030	91282CNX5	4,065,000.00	AA+	Aa1	9/2/2025	9/3/2025	4,043,404.69	3.74	50,068.56	4,044,733.76	4,050,548.92
US TREASURY N/B DTD 09/30/2025 3.625% 09/30/2030	91282CPA3	3,200,000.00	AA+	Aa1	10/1/2025	10/2/2025	3,191,000.00	3.69	29,637.36	3,191,424.35	3,187,625.60
US TREASURY N/B DTD 09/30/2025 3.625% 09/30/2030	91282CPA3	200,000.00	AA+	Aa1	10/30/2025	10/31/2025	199,140.63	3.72	1,852.34	199,168.70	199,226.60
US TREASURY N/B DTD 12/01/2025 3.500% 11/30/2030	91282CPN5	5,900,000.00	AA+	Aa1	12/3/2025	12/5/2025	5,866,351.56	3.63	18,153.85	5,866,828.74	5,840,539.80
US TREASURY N/B DTD 12/31/2025 3.625% 12/31/2030	91282CPR6	2,250,000.00	AA+	Aa1	12/31/2025	12/31/2025	2,241,914.06	3.70	225.31	2,241,928.17	2,239,276.50
<b>Security Type Sub-Total</b>		<b>71,270,000.00</b>					<b>69,973,953.31</b>	<b>3.67</b>	<b>452,105.33</b>	<b>70,875,365.29</b>	<b>71,182,440.71</b>
<b>Negotiable CD</b>											
COOPERAT RABOBANK UA/NY DTD 07/20/2023 5.080% 07/17/2026	21684LGS5	1,350,000.00	A-1	P-1	7/17/2023	7/20/2023	1,350,000.00	5.08	31,242.00	1,350,000.00	1,362,303.90
<b>Security Type Sub-Total</b>		<b>1,350,000.00</b>					<b>1,350,000.00</b>	<b>5.08</b>	<b>31,242.00</b>	<b>1,350,000.00</b>	<b>1,362,303.90</b>
<b>Corporate</b>											
WELLS FARGO BANK NA (CALLABLE) DTD 08/09/2023 5.450% 08/07/2026	94988J6D4	1,945,000.00	A+	Aa2	8/18/2023	8/22/2023	1,942,335.35	5.50	42,401.00	1,944,459.56	1,961,161.01

ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate</b>											
JP MORGAN CHASE BANK NA (CALLABLE) DTD 12/08/2023 5.110% 12/08/2026	48125LRU8	2,000,000.00	AA-	Aa2	12/5/2023	12/8/2023	2,000,000.00	5.11	6,529.44	2,000,000.00	2,021,574.00
TARGET CORP (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	1,375,000.00	A	A2	2/7/2022	2/9/2022	1,366,915.00	2.08	12,363.54	1,373,297.41	1,350,274.75
MICROSOFT CORP (CALLABLE) DTD 02/06/2017 3.300% 02/06/2027	594918BY9	2,075,000.00	AAA	Aaa	12/14/2022	12/16/2022	2,015,634.25	4.06	27,580.21	2,059,262.10	2,066,969.75
BANK OF AMERICA CORP (CALLABLE) DTD 03/11/2021 1.658% 03/11/2027	06051GJQ3	2,170,000.00	A-	A1	4/13/2022	4/18/2022	2,000,761.70	3.40	10,993.46	2,128,722.36	2,159,829.21
GOLDMAN SACHS BANK USA (CALLABLE) DTD 05/21/2024 5.414% 05/21/2027	38151LAG5	1,150,000.00	A+	A1	5/21/2025	5/22/2025	1,157,233.50	5.08	6,917.89	1,152,854.21	1,156,027.15
HOME DEPOT INC (CALLABLE) DTD 09/14/2017 2.800% 09/14/2027	437076BT8	1,390,000.00	A	A2	1/26/2023	1/30/2023	1,311,326.00	4.16	11,567.89	1,361,017.33	1,368,036.61
TOYOTA MOTOR CREDIT CORP DTD 01/12/2023 4.625% 01/12/2028	89236TKQ7	980,000.00	A+	A1	8/14/2023	8/16/2023	967,946.00	4.94	21,277.57	974,444.22	995,251.74
KENVUE INC (CALLABLE) DTD 10/17/2023 5.050% 03/22/2028	49177JAF9	850,000.00	A	A2	6/27/2025	6/30/2025	870,068.50	4.12	11,804.38	866,416.58	868,400.80
APPLE INC (CALLABLE) DTD 05/10/2023 4.000% 05/10/2028	037833ET3	2,300,000.00	AA+	Aaa	5/10/2023	5/11/2023	2,302,001.00	3.98	13,033.33	2,300,926.41	2,317,480.00
MORGAN STANLEY BANK NA (CALLABLE) DTD 05/30/2024 5.504% 05/26/2028	61690U8B9	890,000.00	A+	Aa3	5/30/2024	5/31/2024	891,877.90	5.45	4,762.49	890,854.96	907,756.39
MORGAN STANLEY BANK NA (CALLABLE) DTD 05/30/2024 5.504% 05/26/2028	61690U8B9	460,000.00	A+	Aa3	5/28/2024	5/30/2024	460,000.00	5.50	2,461.51	460,000.00	469,177.46
JOHN DEERE CAPITAL CORP DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	195,000.00	A	A1	7/13/2023	7/14/2023	197,652.00	4.64	4,477.69	196,345.15	200,250.96
JOHN DEERE CAPITAL CORP DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	345,000.00	A	A1	7/14/2023	7/18/2023	348,381.00	4.73	7,922.06	346,718.74	354,290.16
JOHN DEERE CAPITAL CORP DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	455,000.00	A	A1	7/11/2023	7/14/2023	454,322.05	4.98	10,447.94	454,656.13	467,252.24
PACCAR FINANCIAL CORP DTD 08/10/2023 4.950% 08/10/2028	69371RS64	975,000.00	A+	A1	8/17/2023	8/21/2023	970,407.75	5.06	18,902.81	972,589.65	1,002,565.20

ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate</b>											
NATIONAL RURAL UTIL COOP (CALLABLE) DTD 08/25/2025 4.150% 08/25/2028	63743HFZ0	565,000.00	NR	A2	8/19/2025	8/25/2025	564,367.20	4.19	8,206.63	564,437.51	567,956.08
CITIBANK NA (CALLABLE) DTD 09/29/2023 5.803% 09/29/2028	17325FBB3	1,975,000.00	A+	Aa3	9/26/2023	9/29/2023	1,975,000.00	5.80	29,289.03	1,975,000.00	2,071,129.18
ALPHABET INC (CALLABLE) DTD 11/06/2025 3.875% 11/15/2028	02079KAV9	195,000.00	AA+	Aa2	11/3/2025	11/6/2025	194,832.30	3.91	1,154.43	194,840.47	195,951.21
STATE STREET CORP (CALLABLE) DTD 08/20/2024 4.530% 02/20/2029	857477CN1	685,000.00	A	Aa3	8/14/2024	8/20/2024	685,000.00	4.53	11,291.65	685,000.00	693,816.64
CISCO SYSTEMS INC (CALLABLE) DTD 02/26/2024 4.850% 02/26/2029	17275RBR2	2,400,000.00	AA-	A1	11/7/2025	11/10/2025	2,463,600.00	3.98	40,416.67	2,460,965.62	2,463,388.80
BLACKROCK FUNDING INC (CALLABLE) DTD 03/14/2024 4.700% 03/14/2029	09290DAA9	125,000.00	AA-	Aa3	3/5/2024	3/14/2024	124,773.75	4.74	1,746.18	124,849.42	127,777.75
ADOBE INC (CALLABLE) DTD 04/04/2024 4.800% 04/04/2029	00724PAF6	545,000.00	A+	A1	4/1/2024	4/4/2024	544,187.95	4.83	6,322.00	544,449.38	558,897.50
ADOBE INC (CALLABLE) DTD 04/04/2024 4.800% 04/04/2029	00724PAF6	445,000.00	A+	A1	4/2/2024	4/4/2024	444,256.85	4.84	5,162.00	444,496.07	456,347.50
BANK OF NEW YORK MELLON (CALLABLE) DTD 04/22/2025 4.729% 04/20/2029	06405LAH4	2,350,000.00	AA-	Aa2	5/6/2025	5/7/2025	2,373,688.00	4.45	21,917.60	2,368,722.99	2,388,704.50
MASTERCARD INC (CALLABLE) DTD 05/31/2019 2.950% 06/01/2029	57636QAM6	1,000,000.00	A+	Aa3	6/26/2024	6/27/2024	918,740.00	4.82	2,458.33	941,670.21	968,644.00
PEPSICO INC (CALLABLE) DTD 07/17/2024 4.500% 07/17/2029	713448FX1	720,000.00	A+	A1	7/15/2024	7/17/2024	718,884.00	4.53	14,760.00	719,185.82	734,094.72
ELI LILLY & CO (CALLABLE) DTD 08/14/2024 4.200% 08/14/2029	532457CQ9	245,000.00	A+	Aa3	8/12/2024	8/14/2024	244,463.45	4.25	3,915.92	244,601.25	247,374.54
ELI LILLY & CO (CALLABLE) DTD 08/14/2024 4.200% 08/14/2029	532457CQ9	855,000.00	A+	Aa3	8/13/2024	8/14/2024	856,248.30	4.17	13,665.75	855,930.15	863,286.66
PEPSICO INC (CALLABLE) DTD 02/07/2025 4.600% 02/07/2030	713448GB8	330,000.00	A+	A1	2/5/2025	2/7/2025	329,445.60	4.64	6,072.00	329,536.74	337,527.63
WALMART INC (CALLABLE) DTD 04/28/2025 4.350% 04/28/2030	931142FN8	750,000.00	AA	Aa2	5/1/2025	5/2/2025	756,712.50	4.15	5,709.38	755,880.34	761,832.75

ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate</b>											
WALMART INC (CALLABLE) DTD 04/28/2025 4.350% 04/28/2030	931142FN8	275,000.00	AA	Aa2	4/23/2025	4/28/2025	274,524.25	4.39	2,093.44	274,582.84	279,338.67
BLACKROCK INC (CALLABLE) DTD 01/27/2020 2.400% 04/30/2030	09247XAQ4	2,250,000.00	AA-	Aa3	6/26/2025	6/27/2025	2,065,050.00	4.30	9,150.00	2,082,831.93	2,105,793.00
TEXAS INSTRUMENTS INC (CALLABLE) DTD 05/04/2020 1.750% 05/04/2030	882508BJ2	1,300,000.00	A+	Aa3	7/2/2025	7/3/2025	1,157,767.00	4.28	3,602.08	1,171,016.48	1,183,403.00
NOVARTIS CAPITAL CORP (CALLABLE) DTD 11/05/2025 4.100% 11/05/2030	66989HAY4	2,135,000.00	AA-	Aa3	11/3/2025	11/5/2025	2,128,595.00	4.17	13,616.56	2,128,784.46	2,132,724.09
<b>Security Type Sub-Total</b>		<b>38,700,000.00</b>					<b>38,076,998.15</b>	<b>4.44</b>	<b>413,992.86</b>	<b>38,349,346.49</b>	<b>38,804,285.65</b>
<b>Agency CMBS</b>											
FHMS K061 A2 DTD 01/01/2017 3.347% 11/01/2026	3137BTUM1	919,406.68	AA+	Aa1	5/19/2023	5/24/2023	891,106.20	4.29	2,564.38	912,135.18	914,280.06
FHMS K064 A2 DTD 05/01/2017 3.224% 03/01/2027	3137BXQY1	1,320,000.00	AA+	Aa1	8/16/2023	8/18/2023	1,245,131.25	4.94	3,546.40	1,294,370.30	1,310,876.16
FHMS K066 A2 DTD 08/01/2017 3.117% 06/01/2027	3137F2LJ3	1,165,000.00	AA+	Aa1	8/17/2023	8/22/2023	1,089,457.03	4.97	3,026.09	1,135,831.56	1,154,180.64
FHMS K506 A1 DTD 09/01/2023 4.650% 05/01/2028	3137HAMG8	633,584.23	AA+	Aa1	9/7/2023	9/14/2023	624,108.99	5.01	2,455.14	628,448.70	642,923.90
FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028	3137HAD45	1,060,565.43	AA+	Aa1	7/19/2023	7/27/2023	1,060,538.91	4.78	4,221.93	1,060,552.02	1,069,870.83
FHMS K505 A2 DTD 07/01/2023 4.819% 06/01/2028	3137HACX2	1,350,000.00	AA+	Aa1	7/13/2023	7/20/2023	1,363,483.80	4.59	5,421.38	1,356,791.28	1,377,220.05
FNA 2023-M6 A2 DTD 07/01/2023 4.181% 07/01/2028	3136BQDE6	1,312,501.62	AA+	Aa1	7/18/2023	7/31/2023	1,290,250.61	4.58	4,573.46	1,301,041.23	1,320,689.00
FHMS K506 A2 DTD 09/01/2023 4.650% 08/01/2028	3137HAMH6	1,300,000.00	AA+	Aa1	9/7/2023	9/14/2023	1,280,769.10	4.99	5,037.50	1,289,082.03	1,321,781.50
FHMS K508 A2 DTD 10/01/2023 4.740% 08/01/2028	3137HAQ74	1,325,000.00	AA+	Aa1	10/11/2023	10/19/2023	1,295,934.80	5.25	5,233.75	1,308,163.16	1,352,550.73
FHMS KJ47 A1 DTD 09/01/2023 5.272% 08/01/2028	3137HAMN3	365,192.36	AA+	Aa1	9/19/2023	9/28/2023	365,190.53	5.27	1,604.41	365,191.45	370,473.77

ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Agency CMBS</b>											
FHMS K507 A2 DTD 09/01/2023 4.800% 09/01/2028	3137HAMS2	1,300,000.00	AA+	Aa1	9/20/2023	9/28/2023	1,284,461.10	5.07	5,200.00	1,290,848.62	1,327,370.20
FHMS K509 A2 DTD 10/01/2023 4.850% 09/01/2028	3137HAST4	1,015,000.00	AA+	Aa1	10/25/2023	10/31/2023	982,638.76	5.60	4,102.29	995,524.71	1,040,066.44
FHMS K510 A2 DTD 11/01/2023 5.069% 10/01/2028	3137HB3D4	515,000.00	AA+	Aa1	11/14/2023	11/21/2023	513,511.14	5.14	2,175.45	514,101.44	529,520.43
FHMS K511 A2 DTD 12/01/2023 4.860% 10/01/2028	3137HB3G7	750,000.00	AA+	Aa1	11/28/2023	12/7/2023	747,845.25	4.93	3,037.50	748,691.49	767,925.00
FHMS K512 A2 DTD 12/01/2023 5.000% 11/01/2028	3137HBCF9	680,000.00	AA+	Aa1	12/11/2023	12/21/2023	686,349.84	4.79	2,833.33	683,926.27	698,377.68
FHMS K514 A2 DTD 02/01/2024 4.572% 12/01/2028	3137HBLV4	780,000.00	AA+	Aa1	2/1/2024	2/8/2024	787,799.22	4.34	2,971.80	784,973.94	793,231.14
FHMS K513 A2 DTD 01/01/2024 4.724% 12/01/2028	3137HBFY5	770,000.00	AA+	Aa1	1/10/2024	1/18/2024	777,691.53	4.50	3,031.23	774,862.17	786,186.17
FHMS K518 A2 DTD 03/01/2024 5.400% 01/01/2029	3137HC2L5	975,000.00	AA+	Aa1	3/19/2024	3/28/2024	998,541.38	4.83	4,387.50	990,862.95	1,013,206.35
FHMS K516 A2 DTD 03/01/2024 5.477% 01/01/2029	3137HBPM0	1,350,000.00	AA+	Aa1	2/29/2024	3/7/2024	1,390,495.95	4.79	6,161.63	1,376,578.71	1,405,721.25
FHMS K515 A2 DTD 02/01/2024 5.400% 01/01/2029	3137HBPD0	1,350,000.00	AA+	Aa1	2/14/2024	2/22/2024	1,386,369.00	4.79	6,075.00	1,373,690.27	1,402,467.75
FHMS K517 A2 DTD 03/01/2024 5.355% 01/01/2029	3137HC2C5	1,210,000.00	AA+	Aa1	3/5/2024	3/14/2024	1,246,283.06	4.67	5,399.63	1,233,874.21	1,256,791.91
FHMS K520 A2 DTD 04/01/2024 5.180% 03/01/2029	3137HCKV3	765,000.00	AA+	Aa1	4/23/2024	4/30/2024	768,105.14	5.09	3,302.25	767,170.57	792,356.40
FHMS K522 A2 DTD 06/01/2024 4.803% 05/01/2029	3137HDJJ0	1,363,636.40	AA+	Aa1	6/5/2024	6/13/2024	1,363,632.31	4.80	5,457.95	1,363,636.40	1,396,973.22
FHMS K524 A2 DTD 07/01/2024 4.720% 05/01/2029	3137HDV56	1,145,000.00	AA+	Aa1	7/16/2024	7/25/2024	1,152,031.44	4.58	4,503.67	1,150,195.06	1,170,925.09
FHMS K528 A2 DTD 09/01/2024 4.508% 07/01/2029	3137HFNZ4	510,000.00	AA+	Aa1	9/4/2024	9/12/2024	520,189.80	4.06	1,915.90	517,667.47	518,616.45
FHMS K526 A2 DTD 08/01/2024 4.543% 07/01/2029	3137HDXL9	1,300,000.00	AA+	Aa1	8/7/2024	8/15/2024	1,312,160.20	4.33	4,921.58	1,309,041.47	1,322,965.80
FHMS K529 A2 DTD 10/01/2024 4.791% 09/01/2029	3137HH6C0	855,000.00	AA+	Aa1	10/8/2024	10/16/2024	872,088.89	4.34	3,413.59	868,257.11	877,182.12

ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Agency CMBS</b>											
FHMS K530 A2 DTD 11/01/2024 4.792% 09/01/2029	3137HHJL6	1,465,000.00	AA+	Aa1	11/19/2024	11/27/2024	1,472,628.26	4.67	5,850.23	1,471,147.47	1,503,176.44
FHMS K533 A2 DTD 01/01/2025 4.230% 12/01/2029	3137HHW23	880,000.00	AA+	Aa1	1/7/2025	1/16/2025	857,259.92	4.82	3,102.00	861,243.57	886,814.72
FHMS K546 A2 DTD 09/01/2025 4.361% 05/01/2030	3137HN4R6	975,000.00	AA+	Aa1	9/9/2025	9/18/2025	989,611.35	4.01	3,543.31	988,799.21	986,275.87
<b>Security Type Sub-Total</b>		<b>30,704,886.71</b>					<b>30,615,664.76</b>	<b>4.76</b>	<b>119,070.28</b>	<b>30,716,700.02</b>	<b>31,310,997.07</b>
<b>ABS</b>											
TAOT 2023-D A3 DTD 11/14/2023 5.540% 08/15/2028	89239FAD4	218,939.70	AAA	NR	11/7/2023	11/14/2023	218,916.09	5.54	539.08	218,926.37	221,351.10
CHAIT 2023-A1 A DTD 09/15/2023 5.160% 09/15/2028	161571HT4	1,045,000.00	AAA	NR	9/7/2023	9/15/2023	1,044,710.33	5.17	2,396.53	1,044,834.10	1,054,834.50
AMXCA 2023-3 A DTD 09/19/2023 5.230% 09/15/2028	02582JKD1	1,070,000.00	AAA	NR	9/12/2023	9/19/2023	1,069,952.17	5.23	2,487.16	1,069,973.06	1,080,553.41
HART 2023-C A3 DTD 11/13/2023 5.540% 10/16/2028	44918CAD4	307,498.22	AAA	NR	11/3/2023	11/13/2023	307,457.78	5.54	757.13	307,474.41	310,597.19
BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028	05522RDH8	480,000.00	NR	Aaa	12/7/2023	12/14/2023	479,935.54	4.98	1,062.40	479,961.54	484,982.40
GMCAR 2024-1 A3 DTD 01/17/2024 4.850% 12/18/2028	36268GAD7	107,767.00	NR	Aaa	1/9/2024	1/17/2024	107,745.33	4.85	217.78	107,753.34	108,424.60
CHAIT 2024-A1 A DTD 01/31/2024 4.600% 01/15/2029	161571HV9	1,175,000.00	AAA	NR	1/24/2024	1/31/2024	1,174,821.05	4.60	2,402.22	1,174,886.91	1,185,526.83
HAROT 2025-1 A3 DTD 02/11/2025 4.570% 09/21/2029	43814VAC1	1,070,000.00	AAA	NR	2/4/2025	2/11/2025	1,069,967.04	4.57	1,358.31	1,069,974.41	1,081,863.09
HART 2025-A A3 DTD 03/12/2025 4.320% 10/15/2029	44935CAD3	935,000.00	AAA	NR	3/4/2025	3/12/2025	934,862.09	4.32	1,795.20	934,885.82	941,923.68
TAOT 2025-B A3 DTD 04/30/2025 4.340% 11/15/2029	89231HAD8	575,000.00	AAA	NR	4/24/2025	4/30/2025	574,967.05	4.34	1,109.11	574,973.40	579,512.03
HART 2025-B A3 DTD 06/11/2025 4.360% 12/17/2029	44935XAD7	360,000.00	AAA	NR	6/3/2025	6/11/2025	359,967.49	4.36	697.60	359,971.24	363,436.92
USAOT 2025-A A3 DTD 10/09/2025 3.950% 12/17/2029	90327HAC3	365,000.00	AAA	Aaa	10/2/2025	10/9/2025	364,967.95	3.95	640.78	364,970.60	365,908.49

ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>ABS</b>											
HAROT 2025-3 A3 DTD 08/12/2025 4.040% 02/21/2030	43813QAD1	870,000.00	AAA	Aaa	8/5/2025	8/12/2025	869,981.82	4.04	976.33	869,983.45	874,967.70
TAOT 2025-C A3 DTD 07/30/2025 4.110% 03/15/2030	89238VAD0	615,000.00	AAA	Aaa	7/22/2025	7/30/2025	614,935.18	4.11	1,123.40	614,940.72	619,263.79
ALLYA 2025-1 A3 DTD 10/16/2025 3.960% 03/15/2030	02008KAC7	325,000.00	AAA	NR	10/7/2025	10/16/2025	324,953.59	3.96	572.00	324,956.00	325,997.75
FORDO 2025-B A3 DTD 09/26/2025 3.910% 04/15/2030	34532BAG6	585,000.00	NR	Aaa	9/23/2025	9/26/2025	584,936.88	3.91	1,016.60	584,942.34	587,067.98
HART 2025-C A3 DTD 09/17/2025 3.880% 04/15/2030	44935JAD8	770,000.00	AAA	NR	9/9/2025	9/17/2025	769,874.34	3.88	1,327.82	769,884.57	771,610.07
GMCAR 2025-2 A3 DTD 05/14/2025 4.280% 04/16/2030	362549AD9	245,000.00	AAA	Aaa	5/6/2025	5/14/2025	244,963.94	4.28	436.92	244,968.36	246,856.86
BACCT 2025-A1 A DTD 06/12/2025 4.310% 05/15/2030	05522RDK1	685,000.00	AAA	NR	6/5/2025	6/12/2025	684,997.40	4.31	1,312.16	685,000.00	693,235.75
HAROT 2025-4 A3 DTD 11/12/2025 3.980% 06/17/2030	43814XAD5	725,000.00	AAA	NR	11/5/2025	11/12/2025	724,859.64	3.98	1,282.44	724,863.90	728,849.03
TAOT 2025-D A3 DTD 10/23/2025 3.840% 06/17/2030	89231GAD0	860,000.00	AAA	NR	10/15/2025	10/23/2025	859,901.10	3.84	1,467.73	859,904.95	860,921.06
CCCIT 2025-A1 A DTD 06/26/2025 4.300% 06/21/2030	17305EHA6	1,500,000.00	AAA	Aaa	6/18/2025	6/26/2025	1,499,593.05	4.31	1,791.67	1,499,631.38	1,517,418.00
CHAIT 2025-A1 A DTD 07/25/2025 4.160% 07/15/2030	161571HZ0	1,195,000.00	AAA	NR	7/18/2025	7/25/2025	1,194,975.98	4.16	2,209.42	1,194,980.26	1,206,614.21
COPAR 2025-1 A3 DTD 11/05/2025 3.850% 07/15/2030	14043YAD7	375,000.00	AAA	NR	10/28/2025	11/5/2025	374,920.58	3.85	641.67	374,923.60	375,174.37
AMXCA 2025-4 A DTD 07/22/2025 4.300% 07/15/2030	02582JKV1	850,000.00	AAA	NR	7/15/2025	7/22/2025	849,877.52	4.30	1,624.44	849,888.03	861,027.05
COMET 2025-A1 A DTD 09/16/2025 3.820% 09/15/2030	14041NGF2	965,000.00	AAA	NR	9/9/2025	9/16/2025	964,817.04	3.82	1,638.36	964,829.86	965,552.95
HART 2025-D A3 DTD 11/12/2025 3.990% 09/16/2030	44891XAD9	750,000.00	AAA	NR	11/5/2025	11/12/2025	749,936.55	3.99	1,330.00	749,938.93	752,880.75

ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>ABS</b>											
CHAOT 2025-2A A3 DTD 10/29/2025 3.860% 10/25/2030	16144MAD6	530,000.00	NR	Aaa	10/17/2025	10/29/2025	529,979.01	3.86	340.97	529,981.39	530,390.08
<b>Security Type Sub-Total</b>		<b>19,554,204.92</b>					<b>19,551,773.53</b>	<b>4.34</b>	<b>34,555.23</b>	<b>19,552,202.94</b>	<b>19,696,741.64</b>
<b>Managed Account Sub Total</b>		<b>161,579,091.63</b>					<b>159,568,389.75</b>	<b>4.16</b>	<b>1,050,965.70</b>	<b>160,843,614.74</b>	<b>162,356,768.97</b>
<b>Securities Sub Total</b>		<b>\$161,579,091.63</b>					<b>\$159,568,389.75</b>	<b>4.16%</b>	<b>\$1,050,965.70</b>	<b>\$160,843,614.74</b>	<b>\$162,356,768.97</b>
<b>Accrued Interest</b>											<b>\$1,050,965.70</b>
<b>Total Investments</b>											<b>\$163,407,734.67</b>

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>BUY</b>									
10/11/2025	10/2/2025	3,200,000.00	91282CPA3	US TREASURY N/B	3.62%	9/30/2030	3,191,637.36	3.69%	
10/2/2025	10/9/2025	365,000.00	90327HAC3	USAOT 2025-A A3	3.95%	12/17/2029	364,967.95	3.95%	
10/7/2025	10/16/2025	325,000.00	02008KAC7	ALLYA 2025-1 A3	3.96%	3/15/2030	324,953.59	3.96%	
10/15/2025	10/16/2025	3,925,000.00	91282CMW8	US TREASURY N/B	3.75%	4/15/2028	3,949,782.29	3.49%	
10/15/2025	10/23/2025	860,000.00	89231GAD0	TAOT 2025-D A3	3.84%	6/17/2030	859,901.10	3.84%	
10/17/2025	10/29/2025	530,000.00	16144MAD6	CHAOT 2025-2A A3	3.86%	10/25/2030	529,979.01	3.86%	
10/28/2025	11/5/2025	375,000.00	14043YAD7	COPAR 2025-1 A3	3.85%	7/15/2030	374,920.58	3.85%	
10/30/2025	10/31/2025	200,000.00	91282CPA3	US TREASURY N/B	3.62%	9/30/2030	199,758.08	3.72%	
11/3/2025	11/5/2025	2,135,000.00	66989HAY4	NOVARTIS CAPITAL CORP (CALLABLE)	4.10%	11/5/2030	2,128,595.00	4.17%	
11/3/2025	11/6/2025	195,000.00	02079KAV9	ALPHABET INC (CALLABLE)	3.87%	11/15/2028	194,832.30	3.91%	
11/5/2025	11/12/2025	750,000.00	44891XAD9	HART 2025-D A3	3.99%	9/16/2030	749,936.55	3.99%	
11/5/2025	11/12/2025	725,000.00	43814XAD5	HAROT 2025-4 A3	3.98%	6/17/2030	724,859.64	3.98%	
11/7/2025	11/10/2025	2,400,000.00	17275RBR2	CISCO SYSTEMS INC (CALLABLE)	4.85%	2/26/2029	2,487,526.67	3.98%	
12/3/2025	12/5/2025	5,900,000.00	91282CPN5	US TREASURY N/B	3.50%	11/30/2030	5,869,188.10	3.63%	
12/31/2025	12/31/2025	2,250,000.00	91282CPR6	US TREASURY N/B	3.62%	12/31/2030	2,241,914.06	3.70%	
<b>Total BUY</b>		<b>24,135,000.00</b>					<b>24,192,752.28</b>		<b>0.00</b>

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
10/1/2025	10/1/2025		MONEY0002	MONEY MARKET FUND	0.00%		20,967.05		
10/1/2025	10/25/2025		3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	3,037.50		
10/1/2025	10/25/2025		3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
10/1/2025	10/25/2025		3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
10/1/2025	10/25/2025		3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
10/1/2025	10/25/2025		3136BQDE6	FNA 2023-M6 A2	4.18%	7/1/2028	4,574.98		
10/1/2025	10/25/2025		3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	9,595.04		
10/1/2025	10/25/2025		3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
10/1/2025	10/25/2025		3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	6,075.00		
10/1/2025	10/25/2025		3137HBPM0	FHMS K516 A2	5.47%	1/1/2029	6,161.63		
10/1/2025	10/25/2025		3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	3,031.23		
10/1/2025	10/25/2025		3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	2,175.45		
10/1/2025	10/25/2025		3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,578.30		
10/1/2025	10/25/2025		3137HCKV3	FHMS K520 A2	5.18%	3/1/2029	3,302.25		
10/1/2025	10/25/2025		3137HC2C5	FHMS K517 A2	5.35%	1/1/2029	5,399.63		
10/1/2025	10/25/2025		3137HDJJ0	FHMS K522 A2	4.80%	5/1/2029	5,459.79		
10/1/2025	10/25/2025		3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,464.41		

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
10/1/2025	10/25/2025		3137HC2L5	FHMS K518 A2	5.40%	1/1/2029	4,387.50		
10/1/2025	10/25/2025		3137HN4R6	FHMS K546 A2	4.36%	5/1/2030	3,543.31		
10/1/2025	10/25/2025		3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	2,971.80		
10/1/2025	10/25/2025		3137HDXL9	FHMS K526 A2	4.54%	7/1/2029	4,921.58		
10/1/2025	10/25/2025		3137F2LJ3	FHMS K066 A2	3.11%	6/1/2027	3,026.09		
10/1/2025	10/25/2025		3137HH6C0	FHMS K529 A2	4.79%	9/1/2029	3,413.59		
10/1/2025	10/25/2025		3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
10/1/2025	10/25/2025		3137HDV56	FHMS K524 A2	4.72%	5/1/2029	4,503.67		
10/1/2025	10/25/2025		3137HHJL6	FHMS K530 A2	4.79%	9/1/2029	5,850.23		
10/1/2025	10/25/2025		3137HFNZ4	FHMS K528 A2	4.50%	7/1/2029	1,915.90		
10/1/2025	10/25/2025		3137HHW23	FHMS K533 A2	4.23%	12/1/2029	3,102.00		
10/1/2025	10/25/2025		3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.37		
10/1/2025	10/25/2025		3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	2,833.33		
10/1/2025	10/25/2025		3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,238.17		
10/4/2025	10/4/2025		00724PAF6	ADOBE INC (CALLABLE)	4.80%	4/4/2029	23,760.00		
10/15/2025	10/15/2025		44918CAD4	HART 2023-C A3	5.54%	10/16/2028	1,745.14		
10/15/2025	10/15/2025		44935JAD8	HART 2025-C A3	3.88%	4/15/2030	2,323.69		

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
10/15/2025	10/15/2025		34532BAG6	FORDO 2025-B A3	3.91%	4/15/2030	1,207.21		
10/15/2025	10/15/2025		44935CAD3	HART 2025-A A3	4.32%	10/15/2029	3,366.00		
10/15/2025	10/15/2025		89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	1,215.78		
10/15/2025	10/15/2025		05522RDK1	BACCT 2025-A1 A	4.31%	5/15/2030	2,460.29		
10/15/2025	10/15/2025		161571HZ0	CHAIT 2025-A1 A	4.16%	7/15/2030	4,142.67		
10/15/2025	10/15/2025		05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	1,992.00		
10/15/2025	10/15/2025		02582JKV1	AMXCA 2025-4 A	4.30%	7/15/2030	3,045.83		
10/15/2025	10/15/2025		02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.42		
10/15/2025	10/15/2025		161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
10/15/2025	10/15/2025		161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2029	4,504.17		
10/15/2025	10/15/2025		44935XAD7	HART 2025-B A3	4.36%	12/17/2029	1,308.00		
10/15/2025	10/15/2025		89231HAD8	TAOT 2025-B A3	4.34%	11/15/2029	2,079.58		
10/15/2025	10/15/2025		89238VAD0	TAOT 2025-C A3	4.11%	3/15/2030	2,106.38		
10/16/2025	10/16/2025		362549AD9	GMCAR 2025-2 A3	4.28%	4/16/2030	873.83		
10/16/2025	10/16/2025		36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	525.42		
10/20/2025	10/20/2025		06405LAH4	BANK OF NEW YORK MELLON (CALLABLE)	4.72%	4/20/2029	54,948.35		
10/21/2025	10/21/2025		43814VAC1	HAROT 2025-1 A3	4.57%	9/21/2029	4,074.92		

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
10/21/2025	10/21/2025		43813QAD1	HAROT 2025-3 A3	4.04%	2/21/2030	2,929.00		
10/28/2025	10/28/2025		931142FN8	WALMART INC (CALLABLE)	4.35%	4/28/2030	22,293.75		
10/30/2025	10/30/2025		09247XAQ4	BLACKROCK INC (CALLABLE)	2.40%	4/30/2030	27,000.00		
10/31/2025	10/31/2025		91282CFU0	US TREASURY N/B	4.12%	10/31/2027	44,550.00		
10/31/2025	10/31/2025		91282CKP5	US TREASURY N/B	4.62%	4/30/2029	46,365.63		
10/31/2025	10/31/2025		91282CLR0	US TREASURY N/B	4.12%	10/31/2029	9,178.13		
10/31/2025	10/31/2025		912828ZN3	US TREASURY N/B	0.50%	4/30/2027	14,437.50		
11/1/2025	11/25/2025		3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	2,833.33		
11/1/2025	11/25/2025		3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,461.20		
11/1/2025	11/25/2025		3137HDJJ0	FHMS K522 A2	4.80%	5/1/2029	5,459.15		
11/1/2025	11/25/2025		3137HDV56	FHMS K524 A2	4.72%	5/1/2029	4,503.67		
11/1/2025	11/25/2025		3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
11/1/2025	11/25/2025		3137HHJL6	FHMS K530 A2	4.79%	9/1/2029	5,850.23		
11/1/2025	11/25/2025		3137HCKV3	FHMS K520 A2	5.18%	3/1/2029	3,302.25		
11/1/2025	11/25/2025		3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,575.47		
11/1/2025	11/25/2025		3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	2,175.45		
11/1/2025	11/25/2025		3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
11/1/2025	11/25/2025		3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
11/1/2025	11/25/2025		3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,618.84		
11/1/2025	11/25/2025		3137HH6C0	FHMS K529 A2	4.79%	9/1/2029	3,413.59		
11/1/2025	11/25/2025		3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	3,037.50		
11/1/2025	11/25/2025		3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
11/1/2025	11/25/2025		3137HC2C5	FHMS K517 A2	5.35%	1/1/2029	5,399.63		
11/1/2025	11/25/2025		3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,232.64		
11/1/2025	11/25/2025		3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.37		
11/1/2025	11/25/2025		3137HDXL9	FHMS K526 A2	4.54%	7/1/2029	4,921.58		
11/1/2025	11/25/2025		3137HN4R6	FHMS K546 A2	4.36%	5/1/2030	3,543.31		
11/1/2025	11/25/2025		3137HHW23	FHMS K533 A2	4.23%	12/1/2029	3,102.00		
11/1/2025	11/25/2025		3136BQDE6	FNA 2023-M6 A2	4.18%	7/1/2028	4,583.78		
11/1/2025	11/25/2025		3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	3,031.23		
11/1/2025	11/25/2025		3137HFNZ4	FHMS K528 A2	4.50%	7/1/2029	1,915.90		
11/1/2025	11/25/2025		3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	6,075.00		
11/1/2025	11/25/2025		3137HBPM0	FHMS K516 A2	5.47%	1/1/2029	6,161.63		
11/1/2025	11/25/2025		3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
11/1/2025	11/25/2025		3137F2LJ3	FHMS K066 A2	3.11%	6/1/2027	3,026.09		
11/1/2025	11/25/2025		3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	2,971.80		
11/1/2025	11/25/2025		3137HC2L5	FHMS K518 A2	5.40%	1/1/2029	4,387.50		
11/3/2025	11/3/2025		MONEY0002	MONEY MARKET FUND	0.00%		21,636.34		
11/4/2025	11/4/2025		882508BJ2	TEXAS INSTRUMENTS INC (CALLABLE)	1.75%	5/4/2030	11,375.00		
11/10/2025	11/10/2025		037833ET3	APPLE INC (CALLABLE)	4.00%	5/10/2028	46,000.00		
11/15/2025	11/15/2025		912828X88	US TREASURY N/B	2.37%	5/15/2027	73,862.50		
11/15/2025	11/15/2025		02008KAC7	ALLYA 2025-1 A3	3.96%	3/15/2030	1,036.75		
11/15/2025	11/15/2025		44935CAD3	HART 2025-A A3	4.32%	10/15/2029	3,366.00		
11/15/2025	11/15/2025		44935XAD7	HART 2025-B A3	4.36%	12/17/2029	1,308.00		
11/15/2025	11/15/2025		89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	1,143.07		
11/15/2025	11/15/2025		161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2029	4,504.17		
11/15/2025	11/15/2025		44935JAD8	HART 2025-C A3	3.88%	4/15/2030	2,489.67		
11/15/2025	11/15/2025		89231GAD0	TAOT 2025-D A3	3.84%	6/17/2030	2,018.13		
11/15/2025	11/15/2025		912828U24	US TREASURY N/B	2.00%	11/15/2026	25,850.00		
11/15/2025	11/15/2025		912810FB9	US TREASURY N/B	6.12%	11/15/2027	25,418.75		
11/15/2025	11/15/2025		14041NGF2	COMET 2025-A1 A	3.82%	9/15/2030	6,041.44		

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
11/15/2025	11/15/2025		02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.42		
11/15/2025	11/15/2025		89238VAD0	TAOT 2025-C A3	4.11%	3/15/2030	2,106.38		
11/15/2025	11/15/2025		44918CAD4	HART 2023-C A3	5.54%	10/16/2028	1,635.67		
11/15/2025	11/15/2025		05522RDK1	BACCT 2025-A1 A	4.31%	5/15/2030	2,460.29		
11/15/2025	11/15/2025		90327HAC3	USAOT 2025-A A3	3.95%	12/17/2029	1,521.85		
11/15/2025	11/15/2025		34532BAG6	FORDO 2025-B A3	3.91%	4/15/2030	1,906.12		
11/15/2025	11/15/2025		161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
11/15/2025	11/15/2025		161571HZ0	CHAIT 2025-A1 A	4.16%	7/15/2030	4,142.67		
11/15/2025	11/15/2025		02582JKV1	AMXCA 2025-4 A	4.30%	7/15/2030	3,045.83		
11/15/2025	11/15/2025		05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	1,992.00		
11/15/2025	11/15/2025		89231HAD8	TAOT 2025-B A3	4.34%	11/15/2029	2,079.58		
11/16/2025	11/16/2025		362549AD9	GMCAR 2025-2 A3	4.28%	4/16/2030	873.83		
11/16/2025	11/16/2025		36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	494.79		
11/21/2025	11/21/2025		38151LAG5	GOLDMAN SACHS BANK USA (CALLABLE)	5.41%	5/21/2027	31,130.50		
11/21/2025	11/21/2025		43814VAC1	HAROT 2025-1 A3	4.57%	9/21/2029	4,074.92		
11/21/2025	11/21/2025		43813QAD1	HAROT 2025-3 A3	4.04%	2/21/2030	2,929.00		
11/25/2025	11/25/2025		16144MAD6	CHAOT 2025-2A A3	3.86%	10/25/2030	1,477.52		

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
11/26/2025	11/26/2025		61690U8B9	MORGAN STANLEY BANK NA (CALLABLE)	5.50%	5/26/2028	37,152.00		
11/30/2025	11/30/2025		91282CMA6	US TREASURY N/B	4.12%	11/30/2029	150,150.00		
12/1/2025	12/1/2025		57636QAM6	MASTERCARD INC (CALLABLE)	2.95%	6/1/2029	14,750.00		
12/1/2025	12/1/2025		MONEY0002	MONEY MARKET FUND	0.00%		17,938.40		
12/1/2025	12/25/2025		3137HH6C0	FHMS K529 A2	4.79%	9/1/2029	3,413.59		
12/1/2025	12/25/2025		3136BQDE6	FNA 2023-M6 A2	4.18%	7/1/2028	4,573.99		
12/1/2025	12/25/2025		3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
12/1/2025	12/25/2025		3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	2,175.45		
12/1/2025	12/25/2025		3137HBPM0	FHMS K516 A2	5.47%	1/1/2029	6,161.63		
12/1/2025	12/25/2025		3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,227.81		
12/1/2025	12/25/2025		3137HFNZ4	FHMS K528 A2	4.50%	7/1/2029	1,915.90		
12/1/2025	12/25/2025		3137HDJJ0	FHMS K522 A2	4.80%	5/1/2029	5,458.61		
12/1/2025	12/25/2025		3137HDV56	FHMS K524 A2	4.72%	5/1/2029	4,503.67		
12/1/2025	12/25/2025		3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
12/1/2025	12/25/2025		3137HHW23	FHMS K533 A2	4.23%	12/1/2029	3,102.00		
12/1/2025	12/25/2025		3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
12/1/2025	12/25/2025		3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	3,031.23		

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
12/1/2025	12/25/2025		3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	3,037.50		
12/1/2025	12/25/2025		3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	2,833.33		
12/1/2025	12/25/2025		3137HN4R6	FHMS K546 A2	4.36%	5/1/2030	3,543.31		
12/1/2025	12/25/2025		3137HDXL9	FHMS K526 A2	4.54%	7/1/2029	4,921.58		
12/1/2025	12/25/2025		3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	6,075.00		
12/1/2025	12/25/2025		3137HCKV3	FHMS K520 A2	5.18%	3/1/2029	3,302.25		
12/1/2025	12/25/2025		3137HHJL6	FHMS K530 A2	4.79%	9/1/2029	5,850.23		
12/1/2025	12/25/2025		3137F2LJ3	FHMS K066 A2	3.11%	6/1/2027	3,026.09		
12/1/2025	12/25/2025		3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,458.37		
12/1/2025	12/25/2025		3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,570.09		
12/1/2025	12/25/2025		3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
12/1/2025	12/25/2025		3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
12/1/2025	12/25/2025		3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,612.49		
12/1/2025	12/25/2025		3137HC2L5	FHMS K518 A2	5.40%	1/1/2029	4,387.50		
12/1/2025	12/25/2025		3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	2,971.80		
12/1/2025	12/25/2025		3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.37		
12/1/2025	12/25/2025		3137HC2C5	FHMS K517 A2	5.35%	1/1/2029	5,399.63		

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
12/8/2025	12/8/2025		17305EGW9	CCCIT 2023-A1 A1	5.23%	12/8/2027	7,714.25		
12/8/2025	12/8/2025		48125LRU8	JP MORGAN CHASE BANK NA (CALLABLE)	5.11%	12/8/2026	51,100.00		
12/15/2025	12/15/2025		02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.42		
12/15/2025	12/15/2025		161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2029	4,504.17		
12/15/2025	12/15/2025		44935JAD8	HART 2025-C A3	3.88%	4/15/2030	2,489.67		
12/15/2025	12/15/2025		14041NGF2	COMET 2025-A1 A	3.82%	9/15/2030	3,071.92		
12/15/2025	12/15/2025		89231HAD8	TAOT 2025-B A3	4.34%	11/15/2029	2,079.58		
12/15/2025	12/15/2025		90327HAC3	USAOT 2025-A A3	3.95%	12/17/2029	1,201.46		
12/15/2025	12/15/2025		05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	1,992.00		
12/15/2025	12/15/2025		14043YAD7	COPAR 2025-1 A3	3.85%	7/15/2030	1,604.17		
12/15/2025	12/15/2025		05522RDK1	BACCT 2025-A1 A	4.31%	5/15/2030	2,460.29		
12/15/2025	12/15/2025		02008KAC7	ALLYA 2025-1 A3	3.96%	3/15/2030	1,072.50		
12/15/2025	12/15/2025		161571HZ0	CHAIT 2025-A1 A	4.16%	7/15/2030	4,142.67		
12/15/2025	12/15/2025		89231GAD0	TAOT 2025-D A3	3.84%	6/17/2030	2,752.00		
12/15/2025	12/15/2025		44935XAD7	HART 2025-B A3	4.36%	12/17/2029	1,308.00		
12/15/2025	12/15/2025		43814XAD5	HAROT 2025-4 A3	3.98%	6/17/2030	2,645.04		
12/15/2025	12/15/2025		44891XAD9	HART 2025-D A3	3.99%	9/16/2030	2,743.13		

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
12/15/2025	12/15/2025		34532BAG6	FORDO 2025-B A3	3.91%	4/15/2030	1,906.12		
12/15/2025	12/15/2025		44935CAD3	HART 2025-A A3	4.32%	10/15/2029	3,366.00		
12/15/2025	12/15/2025		89238VAD0	TAOT 2025-C A3	4.11%	3/15/2030	2,106.38		
12/15/2025	12/15/2025		02582JKV1	AMXCA 2025-4 A	4.30%	7/15/2030	3,045.83		
12/15/2025	12/15/2025		89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	1,072.97		
12/15/2025	12/15/2025		44918CAD4	HART 2023-C A3	5.54%	10/16/2028	1,522.80		
12/15/2025	12/15/2025		161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
12/16/2025	12/16/2025		362549AD9	GMCAR 2025-2 A3	4.28%	4/16/2030	873.83		
12/16/2025	12/16/2025		36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	464.79		
12/21/2025	12/21/2025		43813QAD1	HAROT 2025-3 A3	4.04%	2/21/2030	2,929.00		
12/21/2025	12/21/2025		43814VAC1	HAROT 2025-1 A3	4.57%	9/21/2029	4,074.92		
12/21/2025	12/21/2025		17305EHA6	CCCIT 2025-A1 A	4.30%	6/21/2030	31,354.17		
12/25/2025	12/25/2025		16144MAD6	CHAOT 2025-2A A3	3.86%	10/25/2030	1,704.83		
12/31/2025	12/31/2025		912828ZV5	US TREASURY N/B	0.50%	6/30/2027	6,875.00		
12/31/2025	12/31/2025		91282CKX8	US TREASURY N/B	4.25%	6/30/2029	100,725.00		
<b>Total INTEREST</b>		<b>0.00</b>					<b>1,459,006.87</b>		<b>0.00</b>

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>PAYDOWNS</b>									
10/1/2025	10/25/2025	162.01	3137HDJJ0	FHMS K522 A2	4.80%	5/1/2029	162.01		
10/1/2025	10/25/2025	1,015.98	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	1,015.98		10.27
10/1/2025	10/25/2025	827.66	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	827.66		7.36
10/1/2025	10/25/2025	1,387.96	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	1,387.96		0.02
10/1/2025	10/25/2025	137,501.73	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	137,501.73		0.37
10/1/2025	10/25/2025	149.41	3136BQDE6	FNA 2023-M6 A2	4.18%	7/1/2028	149.41		1.43
10/15/2025	10/15/2025	15,750.53	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	15,750.53		1.03
10/15/2025	10/15/2025	23,710.88	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	23,710.88		1.96
10/16/2025	10/16/2025	7,577.99	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	7,577.99		1.02
11/1/2025	11/25/2025	1,444.58	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,444.58		
11/1/2025	11/25/2025	134.11	3137HDJJ0	FHMS K522 A2	4.80%	5/1/2029	134.11		
11/1/2025	11/25/2025	1,929.90	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	1,929.90		18.09
11/1/2025	11/25/2025	125.07	3136BQDE6	FNA 2023-M6 A2	4.18%	7/1/2028	125.07		1.16
11/1/2025	11/25/2025	1,214.01	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	1,214.01		0.02
11/1/2025	11/25/2025	730.38	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	730.38		6.30
11/15/2025	11/15/2025	15,183.80	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	15,183.80		0.96
11/15/2025	11/15/2025	24,449.78	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	24,449.78		1.97

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>PAYDOWNS</b>									
11/16/2025	11/16/2025	7,422.06	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	7,422.06		0.98
12/1/2025	12/25/2025	834.72	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	834.72		6.98
12/1/2025	12/25/2025	150.63	3136BQDE6	FNA 2023-M6 A2	4.18%	7/1/2028	150.63		1.36
12/1/2025	12/25/2025	2,046.74	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,046.74		17.69
12/1/2025	12/25/2025	1,475.95	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	1,475.95		0.02
12/1/2025	12/25/2025	163.50	3137HDJJ0	FHMS K522 A2	4.80%	5/1/2029	163.50		
12/1/2025	12/25/2025	1,839.22	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,839.22		0.01
12/8/2025	12/8/2025	295,000.00	17305EGW9	CCCIT 2023-A1 A1	5.23%	12/8/2027	295,000.00		19.37
12/15/2025	12/15/2025	13,471.99	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	13,471.99		0.83
12/15/2025	12/15/2025	22,349.74	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	22,349.74		1.76
12/16/2025	12/16/2025	7,232.95	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	7,232.95		0.93
<b>Total PAYDOWNS</b>		<b>585,283.28</b>					<b>585,283.28</b>		<b>101.89</b>
<b>SELL</b>									
10/1/2025	10/2/2025	3,060,000.00	91282CCZ2	US TREASURY N/B	0.87%	9/30/2026	2,977,431.50		-22,670.55
10/2/2025	10/6/2025	365,000.00	91282CFU0	US TREASURY N/B	4.12%	10/31/2027	375,711.33		811.14
10/9/2025	10/10/2025	185,000.00	91282CMN8	US TREASURY N/B	4.25%	2/15/2028	188,891.98		-42.18
10/16/2025	10/20/2025	840,000.00	91282CFU0	US TREASURY N/B	4.12%	10/31/2027	866,789.27		2,831.93

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>SELL</b>									
10/17/2025	10/20/2025	530,000.00	91282CFU0	US TREASURY N/B	4.12%	10/31/2027	547,171.89		2,055.95
11/4/2025	11/5/2025	2,375,000.00	912828U24	US TREASURY N/B	2.00%	11/15/2026	2,357,288.34		-17,313.78
11/6/2025	11/7/2025	1,490,000.00	912828U24	US TREASURY N/B	2.00%	11/15/2026	1,479,399.44		-10,589.37
11/7/2025	11/10/2025	2,600,000.00	91282CKD2	US TREASURY N/B	4.25%	2/28/2029	2,676,821.09		3,052.10
12/3/2025	12/5/2025	2,500,000.00	912828V98	US TREASURY N/B	2.25%	2/15/2027	2,479,326.60		-21,016.62
12/3/2025	12/5/2025	2,585,000.00	912828U24	US TREASURY N/B	2.00%	11/15/2026	2,549,182.33		-15,786.10
<b>Total SELL</b>		<b>16,530,000.00</b>					<b>16,498,013.77</b>		<b>-78,667.48</b>

### Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY	10/1/2025	10/2/2025	3,200,000.00	91282CPA3	US TREASURY N/B	3.62%	9/30/2030	3,191,637.36	3.69%	
BUY	10/2/2025	10/9/2025	365,000.00	90327HAC3	USAOT 2025-A A3	3.95%	12/17/2029	364,967.95	3.95%	
BUY	10/7/2025	10/16/2025	325,000.00	02008KAC7	ALLYA 2025-1 A3	3.96%	3/15/2030	324,953.59	3.96%	
BUY	10/15/2025	10/16/2025	3,925,000.00	91282CMW8	US TREASURY N/B	3.75%	4/15/2028	3,949,782.29	3.49%	
BUY	10/15/2025	10/23/2025	860,000.00	89231GAD0	TAOT 2025-D A3	3.84%	6/17/2030	859,901.10	3.84%	
BUY	10/17/2025	10/29/2025	530,000.00	16144MAD6	CHAOT 2025-2A A3	3.86%	10/25/2030	529,979.01	3.86%	
BUY	10/28/2025	11/5/2025	375,000.00	14043YAD7	COPAR 2025-1 A3	3.85%	7/15/2030	374,920.58	3.85%	
BUY	10/30/2025	10/31/2025	200,000.00	91282CPA3	US TREASURY N/B	3.62%	9/30/2030	199,758.08	3.72%	
BUY	11/3/2025	11/5/2025	2,135,000.00	66989HAY4	NOVARTIS CAPITAL CORP (CALLABLE)	4.10%	11/5/2030	2,128,595.00	4.17%	
BUY	11/3/2025	11/6/2025	195,000.00	02079KAV9	ALPHABET INC (CALLABLE)	3.87%	11/15/2028	194,832.30	3.91%	
BUY	11/5/2025	11/12/2025	750,000.00	44891XAD9	HART 2025-D A3	3.99%	9/16/2030	749,936.55	3.99%	
BUY	11/5/2025	11/12/2025	725,000.00	43814XAD5	HAROT 2025-4 A3	3.98%	6/17/2030	724,859.64	3.98%	
BUY	11/7/2025	11/10/2025	2,400,000.00	17275RBR2	CISCO SYSTEMS INC (CALLABLE)	4.85%	2/26/2029	2,487,526.67	3.98%	
BUY	12/3/2025	12/5/2025	5,900,000.00	91282CPN5	US TREASURY N/B	3.50%	11/30/2030	5,869,188.10	3.63%	
BUY	12/31/2025	12/31/2025	2,250,000.00	91282CPR6	US TREASURY N/B	3.62%	12/31/2030	2,241,914.06	3.70%	
INTEREST	10/1/2025	10/1/2025		MONEY0002	MONEY MARKET FUND	0.00%		20,967.05		
INTEREST	10/1/2025	10/25/2025		3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	3,037.50		
INTEREST	10/1/2025	10/25/2025		3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		

### Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	10/1/2025	10/25/2025		3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
INTEREST	10/1/2025	10/25/2025		3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
INTEREST	10/1/2025	10/25/2025		3136BQDE6	FNA 2023-M6 A2	4.18%	7/1/2028	4,574.98		
INTEREST	10/1/2025	10/25/2025		3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	9,595.04		
INTEREST	10/1/2025	10/25/2025		3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
INTEREST	10/1/2025	10/25/2025		3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	6,075.00		
INTEREST	10/1/2025	10/25/2025		3137HBPM0	FHMS K516 A2	5.47%	1/1/2029	6,161.63		
INTEREST	10/1/2025	10/25/2025		3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	3,031.23		
INTEREST	10/1/2025	10/25/2025		3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	2,175.45		
INTEREST	10/1/2025	10/25/2025		3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,578.30		
INTEREST	10/1/2025	10/25/2025		3137HCKV3	FHMS K520 A2	5.18%	3/1/2029	3,302.25		
INTEREST	10/1/2025	10/25/2025		3137HC2C5	FHMS K517 A2	5.35%	1/1/2029	5,399.63		
INTEREST	10/1/2025	10/25/2025		3137HDJJ0	FHMS K522 A2	4.80%	5/1/2029	5,459.79		
INTEREST	10/1/2025	10/25/2025		3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,464.41		
INTEREST	10/1/2025	10/25/2025		3137HC2L5	FHMS K518 A2	5.40%	1/1/2029	4,387.50		
INTEREST	10/1/2025	10/25/2025		3137HN4R6	FHMS K546 A2	4.36%	5/1/2030	3,543.31		
INTEREST	10/1/2025	10/25/2025		3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	2,971.80		
INTEREST	10/1/2025	10/25/2025		3137HDXL9	FHMS K526 A2	4.54%	7/1/2029	4,921.58		

### Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	10/1/2025	10/25/2025		3137F2LJ3	FHMS K066 A2	3.11%	6/1/2027	3,026.09		
INTEREST	10/1/2025	10/25/2025		3137HH6C0	FHMS K529 A2	4.79%	9/1/2029	3,413.59		
INTEREST	10/1/2025	10/25/2025		3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
INTEREST	10/1/2025	10/25/2025		3137HDV56	FHMS K524 A2	4.72%	5/1/2029	4,503.67		
INTEREST	10/1/2025	10/25/2025		3137HHJL6	FHMS K530 A2	4.79%	9/1/2029	5,850.23		
INTEREST	10/1/2025	10/25/2025		3137HFNZ4	FHMS K528 A2	4.50%	7/1/2029	1,915.90		
INTEREST	10/1/2025	10/25/2025		3137HHW23	FHMS K533 A2	4.23%	12/1/2029	3,102.00		
INTEREST	10/1/2025	10/25/2025		3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.37		
INTEREST	10/1/2025	10/25/2025		3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	2,833.33		
INTEREST	10/1/2025	10/25/2025		3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,238.17		
INTEREST	10/4/2025	10/4/2025		00724PAF6	ADOBE INC (CALLABLE)	4.80%	4/4/2029	23,760.00		
INTEREST	10/15/2025	10/15/2025		44918CAD4	HART 2023-C A3	5.54%	10/16/2028	1,745.14		
INTEREST	10/15/2025	10/15/2025		44935JAD8	HART 2025-C A3	3.88%	4/15/2030	2,323.69		
INTEREST	10/15/2025	10/15/2025		34532BAG6	FORDO 2025-B A3	3.91%	4/15/2030	1,207.21		
INTEREST	10/15/2025	10/15/2025		44935CAD3	HART 2025-A A3	4.32%	10/15/2029	3,366.00		
INTEREST	10/15/2025	10/15/2025		89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	1,215.78		
INTEREST	10/15/2025	10/15/2025		05522RDK1	BACCT 2025-A1 A	4.31%	5/15/2030	2,460.29		
INTEREST	10/15/2025	10/15/2025		161571HZ0	CHAIT 2025-A1 A	4.16%	7/15/2030	4,142.67		

### Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	10/15/2025	10/15/2025		05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	1,992.00		
INTEREST	10/15/2025	10/15/2025		02582JKV1	AMXCA 2025-4 A	4.30%	7/15/2030	3,045.83		
INTEREST	10/15/2025	10/15/2025		02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.42		
INTEREST	10/15/2025	10/15/2025		161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
INTEREST	10/15/2025	10/15/2025		161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2029	4,504.17		
INTEREST	10/15/2025	10/15/2025		44935XAD7	HART 2025-B A3	4.36%	12/17/2029	1,308.00		
INTEREST	10/15/2025	10/15/2025		89231HAD8	TAOT 2025-B A3	4.34%	11/15/2029	2,079.58		
INTEREST	10/15/2025	10/15/2025		89238VAD0	TAOT 2025-C A3	4.11%	3/15/2030	2,106.38		
INTEREST	10/16/2025	10/16/2025		362549AD9	GMCAR 2025-2 A3	4.28%	4/16/2030	873.83		
INTEREST	10/16/2025	10/16/2025		36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	525.42		
INTEREST	10/20/2025	10/20/2025		06405LAH4	BANK OF NEW YORK MELLON	4.72%	4/20/2029	54,948.35		
INTEREST	10/21/2025	10/21/2025		43814VAC1	HAROT 2025-1 A3	4.57%	9/21/2029	4,074.92		
INTEREST	10/21/2025	10/21/2025		43813QAD1	HAROT 2025-3 A3	4.04%	2/21/2030	2,929.00		
INTEREST	10/28/2025	10/28/2025		931142FN8	WALMART INC (CALLABLE)	4.35%	4/28/2030	22,293.75		
INTEREST	10/30/2025	10/30/2025		09247XAQ4	BLACKROCK INC (CALLABLE)	2.40%	4/30/2030	27,000.00		
INTEREST	10/31/2025	10/31/2025		91282CFU0	US TREASURY N/B	4.12%	10/31/2027	44,550.00		
INTEREST	10/31/2025	10/31/2025		91282CKP5	US TREASURY N/B	4.62%	4/30/2029	46,365.63		
INTEREST	10/31/2025	10/31/2025		91282CLR0	US TREASURY N/B	4.12%	10/31/2029	9,178.13		

### Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	10/31/2025	10/31/2025		912828ZN3	US TREASURY N/B	0.50%	4/30/2027	14,437.50		
INTEREST	11/1/2025	11/25/2025		3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	2,833.33		
INTEREST	11/1/2025	11/25/2025		3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,461.20		
INTEREST	11/1/2025	11/25/2025		3137HDJJ0	FHMS K522 A2	4.80%	5/1/2029	5,459.15		
INTEREST	11/1/2025	11/25/2025		3137HDV56	FHMS K524 A2	4.72%	5/1/2029	4,503.67		
INTEREST	11/1/2025	11/25/2025		3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
INTEREST	11/1/2025	11/25/2025		3137HHJL6	FHMS K530 A2	4.79%	9/1/2029	5,850.23		
INTEREST	11/1/2025	11/25/2025		3137HCKV3	FHMS K520 A2	5.18%	3/1/2029	3,302.25		
INTEREST	11/1/2025	11/25/2025		3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,575.47		
INTEREST	11/1/2025	11/25/2025		3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	2,175.45		
INTEREST	11/1/2025	11/25/2025		3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
INTEREST	11/1/2025	11/25/2025		3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
INTEREST	11/1/2025	11/25/2025		3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,618.84		
INTEREST	11/1/2025	11/25/2025		3137HH6C0	FHMS K529 A2	4.79%	9/1/2029	3,413.59		
INTEREST	11/1/2025	11/25/2025		3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	3,037.50		
INTEREST	11/1/2025	11/25/2025		3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
INTEREST	11/1/2025	11/25/2025		3137HC2C5	FHMS K517 A2	5.35%	1/1/2029	5,399.63		
INTEREST	11/1/2025	11/25/2025		3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,232.64		

### Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	11/1/2025	11/25/2025		3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.37		
INTEREST	11/1/2025	11/25/2025		3137HDXL9	FHMS K526 A2	4.54%	7/1/2029	4,921.58		
INTEREST	11/1/2025	11/25/2025		3137HN4R6	FHMS K546 A2	4.36%	5/1/2030	3,543.31		
INTEREST	11/1/2025	11/25/2025		3137HHW23	FHMS K533 A2	4.23%	12/1/2029	3,102.00		
INTEREST	11/1/2025	11/25/2025		3136BQDE6	FNA 2023-M6 A2	4.18%	7/1/2028	4,583.78		
INTEREST	11/1/2025	11/25/2025		3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	3,031.23		
INTEREST	11/1/2025	11/25/2025		3137HFNZ4	FHMS K528 A2	4.50%	7/1/2029	1,915.90		
INTEREST	11/1/2025	11/25/2025		3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	6,075.00		
INTEREST	11/1/2025	11/25/2025		3137HBPM0	FHMS K516 A2	5.47%	1/1/2029	6,161.63		
INTEREST	11/1/2025	11/25/2025		3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
INTEREST	11/1/2025	11/25/2025		3137F2LJ3	FHMS K066 A2	3.11%	6/1/2027	3,026.09		
INTEREST	11/1/2025	11/25/2025		3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	2,971.80		
INTEREST	11/1/2025	11/25/2025		3137HC2L5	FHMS K518 A2	5.40%	1/1/2029	4,387.50		
INTEREST	11/3/2025	11/3/2025		MONEY0002	MONEY MARKET FUND	0.00%		21,636.34		
INTEREST	11/4/2025	11/4/2025		882508BJ2	TEXAS INSTRUMENTS INC (CALLABLE)	1.75%	5/4/2030	11,375.00		
INTEREST	11/10/2025	11/10/2025		037833ET3	APPLE INC (CALLABLE)	4.00%	5/10/2028	46,000.00		
INTEREST	11/15/2025	11/15/2025		912828X88	US TREASURY N/B	2.37%	5/15/2027	73,862.50		
INTEREST	11/15/2025	11/15/2025		02008KAC7	ALLYA 2025-1 A3	3.96%	3/15/2030	1,036.75		

### Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	11/15/2025	11/15/2025		44935CAD3	HART 2025-A A3	4.32%	10/15/2029	3,366.00		
INTEREST	11/15/2025	11/15/2025		44935XAD7	HART 2025-B A3	4.36%	12/17/2029	1,308.00		
INTEREST	11/15/2025	11/15/2025		89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	1,143.07		
INTEREST	11/15/2025	11/15/2025		161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2029	4,504.17		
INTEREST	11/15/2025	11/15/2025		44935JAD8	HART 2025-C A3	3.88%	4/15/2030	2,489.67		
INTEREST	11/15/2025	11/15/2025		89231GAD0	TAOT 2025-D A3	3.84%	6/17/2030	2,018.13		
INTEREST	11/15/2025	11/15/2025		912828U24	US TREASURY N/B	2.00%	11/15/2026	25,850.00		
INTEREST	11/15/2025	11/15/2025		912810FB9	US TREASURY N/B	6.12%	11/15/2027	25,418.75		
INTEREST	11/15/2025	11/15/2025		14041NGF2	COMET 2025-A1 A	3.82%	9/15/2030	6,041.44		
INTEREST	11/15/2025	11/15/2025		02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.42		
INTEREST	11/15/2025	11/15/2025		89238VAD0	TAOT 2025-C A3	4.11%	3/15/2030	2,106.38		
INTEREST	11/15/2025	11/15/2025		44918CAD4	HART 2023-C A3	5.54%	10/16/2028	1,635.67		
INTEREST	11/15/2025	11/15/2025		05522RDK1	BACCT 2025-A1 A	4.31%	5/15/2030	2,460.29		
INTEREST	11/15/2025	11/15/2025		90327HAC3	USAOT 2025-A A3	3.95%	12/17/2029	1,521.85		
INTEREST	11/15/2025	11/15/2025		34532BAG6	FORDO 2025-B A3	3.91%	4/15/2030	1,906.12		
INTEREST	11/15/2025	11/15/2025		161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
INTEREST	11/15/2025	11/15/2025		161571HZ0	CHAIT 2025-A1 A	4.16%	7/15/2030	4,142.67		
INTEREST	11/15/2025	11/15/2025		02582JKV1	AMXCA 2025-4 A	4.30%	7/15/2030	3,045.83		

### Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	11/15/2025	11/15/2025		05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	1,992.00		
INTEREST	11/15/2025	11/15/2025		89231HAD8	TAOT 2025-B A3	4.34%	11/15/2029	2,079.58		
INTEREST	11/16/2025	11/16/2025		362549AD9	GMCAR 2025-2 A3	4.28%	4/16/2030	873.83		
INTEREST	11/16/2025	11/16/2025		36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	494.79		
INTEREST	11/21/2025	11/21/2025		38151LAG5	GOLDMAN SACHS BANK USA	5.41%	5/21/2027	31,130.50		
INTEREST	11/21/2025	11/21/2025		43814VAC1	HAROT 2025-1 A3	4.57%	9/21/2029	4,074.92		
INTEREST	11/21/2025	11/21/2025		43813QAD1	HAROT 2025-3 A3	4.04%	2/21/2030	2,929.00		
INTEREST	11/25/2025	11/25/2025		16144MAD6	CHAOT 2025-2A A3	3.86%	10/25/2030	1,477.52		
INTEREST	11/26/2025	11/26/2025		61690U8B9	MORGAN STANLEY BANK NA	5.50%	5/26/2028	37,152.00		
INTEREST	11/30/2025	11/30/2025		91282CMA6	US TREASURY N/B	4.12%	11/30/2029	150,150.00		
INTEREST	12/1/2025	12/1/2025		57636QAM6	MASTERCARD INC (CALLABLE)	2.95%	6/1/2029	14,750.00		
INTEREST	12/1/2025	12/1/2025		MONEY0002	MONEY MARKET FUND	0.00%		17,938.40		
INTEREST	12/1/2025	12/25/2025		3137HH6C0	FHMS K529 A2	4.79%	9/1/2029	3,413.59		
INTEREST	12/1/2025	12/25/2025		3136BQDE6	FNA 2023-M6 A2	4.18%	7/1/2028	4,573.99		
INTEREST	12/1/2025	12/25/2025		3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
INTEREST	12/1/2025	12/25/2025		3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	2,175.45		
INTEREST	12/1/2025	12/25/2025		3137HBPM0	FHMS K516 A2	5.47%	1/1/2029	6,161.63		
INTEREST	12/1/2025	12/25/2025		3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,227.81		

### Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	12/1/2025	12/25/2025		3137HFNZ4	FHMS K528 A2	4.50%	7/1/2029	1,915.90		
INTEREST	12/1/2025	12/25/2025		3137HDJJ0	FHMS K522 A2	4.80%	5/1/2029	5,458.61		
INTEREST	12/1/2025	12/25/2025		3137HDV56	FHMS K524 A2	4.72%	5/1/2029	4,503.67		
INTEREST	12/1/2025	12/25/2025		3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
INTEREST	12/1/2025	12/25/2025		3137HHW23	FHMS K533 A2	4.23%	12/1/2029	3,102.00		
INTEREST	12/1/2025	12/25/2025		3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
INTEREST	12/1/2025	12/25/2025		3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	3,031.23		
INTEREST	12/1/2025	12/25/2025		3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	3,037.50		
INTEREST	12/1/2025	12/25/2025		3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	2,833.33		
INTEREST	12/1/2025	12/25/2025		3137HN4R6	FHMS K546 A2	4.36%	5/1/2030	3,543.31		
INTEREST	12/1/2025	12/25/2025		3137HDXL9	FHMS K526 A2	4.54%	7/1/2029	4,921.58		
INTEREST	12/1/2025	12/25/2025		3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	6,075.00		
INTEREST	12/1/2025	12/25/2025		3137HCKV3	FHMS K520 A2	5.18%	3/1/2029	3,302.25		
INTEREST	12/1/2025	12/25/2025		3137HHJL6	FHMS K530 A2	4.79%	9/1/2029	5,850.23		
INTEREST	12/1/2025	12/25/2025		3137F2LJ3	FHMS K066 A2	3.11%	6/1/2027	3,026.09		
INTEREST	12/1/2025	12/25/2025		3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,458.37		
INTEREST	12/1/2025	12/25/2025		3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,570.09		
INTEREST	12/1/2025	12/25/2025		3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		

### Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	12/1/2025	12/25/2025		3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
INTEREST	12/1/2025	12/25/2025		3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,612.49		
INTEREST	12/1/2025	12/25/2025		3137HC2L5	FHMS K518 A2	5.40%	1/1/2029	4,387.50		
INTEREST	12/1/2025	12/25/2025		3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	2,971.80		
INTEREST	12/1/2025	12/25/2025		3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.37		
INTEREST	12/1/2025	12/25/2025		3137HC2C5	FHMS K517 A2	5.35%	1/1/2029	5,399.63		
INTEREST	12/8/2025	12/8/2025		17305EGW9	CCCIT 2023-A1 A1	5.23%	12/8/2027	7,714.25		
INTEREST	12/8/2025	12/8/2025		48125LRU8	JP MORGAN CHASE BANK NA	5.11%	12/8/2026	51,100.00		
INTEREST	12/15/2025	12/15/2025		02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.42		
INTEREST	12/15/2025	12/15/2025		161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2029	4,504.17		
INTEREST	12/15/2025	12/15/2025		44935JAD8	HART 2025-C A3	3.88%	4/15/2030	2,489.67		
INTEREST	12/15/2025	12/15/2025		14041NGF2	COMET 2025-A1 A	3.82%	9/15/2030	3,071.92		
INTEREST	12/15/2025	12/15/2025		89231HAD8	TAOT 2025-B A3	4.34%	11/15/2029	2,079.58		
INTEREST	12/15/2025	12/15/2025		90327HAC3	USAOT 2025-A A3	3.95%	12/17/2029	1,201.46		
INTEREST	12/15/2025	12/15/2025		05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	1,992.00		
INTEREST	12/15/2025	12/15/2025		14043YAD7	COPAR 2025-1 A3	3.85%	7/15/2030	1,604.17		
INTEREST	12/15/2025	12/15/2025		05522RDK1	BACCT 2025-A1 A	4.31%	5/15/2030	2,460.29		
INTEREST	12/15/2025	12/15/2025		02008KAC7	ALLYA 2025-1 A3	3.96%	3/15/2030	1,072.50		

### Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	12/15/2025	12/15/2025		161571HZ0	CHAIT 2025-A1 A	4.16%	7/15/2030	4,142.67		
INTEREST	12/15/2025	12/15/2025		89231GAD0	TAOT 2025-D A3	3.84%	6/17/2030	2,752.00		
INTEREST	12/15/2025	12/15/2025		44935XAD7	HART 2025-B A3	4.36%	12/17/2029	1,308.00		
INTEREST	12/15/2025	12/15/2025		43814XAD5	HAROT 2025-4 A3	3.98%	6/17/2030	2,645.04		
INTEREST	12/15/2025	12/15/2025		44891XAD9	HART 2025-D A3	3.99%	9/16/2030	2,743.13		
INTEREST	12/15/2025	12/15/2025		34532BAG6	FORDO 2025-B A3	3.91%	4/15/2030	1,906.12		
INTEREST	12/15/2025	12/15/2025		44935CAD3	HART 2025-A A3	4.32%	10/15/2029	3,366.00		
INTEREST	12/15/2025	12/15/2025		89238VAD0	TAOT 2025-C A3	4.11%	3/15/2030	2,106.38		
INTEREST	12/15/2025	12/15/2025		02582JKV1	AMXCA 2025-4 A	4.30%	7/15/2030	3,045.83		
INTEREST	12/15/2025	12/15/2025		89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	1,072.97		
INTEREST	12/15/2025	12/15/2025		44918CAD4	HART 2023-C A3	5.54%	10/16/2028	1,522.80		
INTEREST	12/15/2025	12/15/2025		161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
INTEREST	12/16/2025	12/16/2025		362549AD9	GMCAR 2025-2 A3	4.28%	4/16/2030	873.83		
INTEREST	12/16/2025	12/16/2025		36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	464.79		
INTEREST	12/21/2025	12/21/2025		43813QAD1	HAROT 2025-3 A3	4.04%	2/21/2030	2,929.00		
INTEREST	12/21/2025	12/21/2025		43814VAC1	HAROT 2025-1 A3	4.57%	9/21/2029	4,074.92		
INTEREST	12/21/2025	12/21/2025		17305EHA6	CCCIT 2025-A1 A	4.30%	6/21/2030	31,354.17		
INTEREST	12/25/2025	12/25/2025		16144MAD6	CHAOT 2025-2A A3	3.86%	10/25/2030	1,704.83		

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	12/31/2025	12/31/2025		912828ZV5	US TREASURY N/B	0.50%	6/30/2027	6,875.00		
INTEREST	12/31/2025	12/31/2025		91282CKX8	US TREASURY N/B	4.25%	6/30/2029	100,725.00		
PAYDOWN	10/1/2025	10/25/2025	162.01	3137HDJJ0	FHMS K522 A2	4.80%	5/1/2029	162.01		
PAYDOWN	10/1/2025	10/25/2025	1,015.98	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	1,015.98		10.27
PAYDOWN	10/1/2025	10/25/2025	827.66	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	827.66		7.36
PAYDOWN	10/1/2025	10/25/2025	1,387.96	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	1,387.96		0.02
PAYDOWN	10/1/2025	10/25/2025	137,501.73	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	137,501.73		0.37
PAYDOWN	10/1/2025	10/25/2025	149.41	3136BQDE6	FNA 2023-M6 A2	4.18%	7/1/2028	149.41		1.43
PAYDOWN	10/15/2025	10/15/2025	15,750.53	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	15,750.53		1.03
PAYDOWN	10/15/2025	10/15/2025	23,710.88	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	23,710.88		1.96
PAYDOWN	10/16/2025	10/16/2025	7,577.99	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	7,577.99		1.02
PAYDOWN	11/1/2025	11/25/2025	1,444.58	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,444.58		
PAYDOWN	11/1/2025	11/25/2025	134.11	3137HDJJ0	FHMS K522 A2	4.80%	5/1/2029	134.11		
PAYDOWN	11/1/2025	11/25/2025	1,929.90	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	1,929.90		18.09
PAYDOWN	11/1/2025	11/25/2025	125.07	3136BQDE6	FNA 2023-M6 A2	4.18%	7/1/2028	125.07		1.16
PAYDOWN	11/1/2025	11/25/2025	1,214.01	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	1,214.01		0.02
PAYDOWN	11/1/2025	11/25/2025	730.38	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	730.38		6.30
PAYDOWN	11/15/2025	11/15/2025	15,183.80	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	15,183.80		0.96

### Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWN	11/15/2025	11/15/2025	24,449.78	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	24,449.78		1.97
PAYDOWN	11/16/2025	11/16/2025	7,422.06	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	7,422.06		0.98
PAYDOWN	12/1/2025	12/25/2025	834.72	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	834.72		6.98
PAYDOWN	12/1/2025	12/25/2025	150.63	3136BQDE6	FNA 2023-M6 A2	4.18%	7/1/2028	150.63		1.36
PAYDOWN	12/1/2025	12/25/2025	2,046.74	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,046.74		17.69
PAYDOWN	12/1/2025	12/25/2025	1,475.95	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	1,475.95		0.02
PAYDOWN	12/1/2025	12/25/2025	163.50	3137HDJJ0	FHMS K522 A2	4.80%	5/1/2029	163.50		
PAYDOWN	12/1/2025	12/25/2025	1,839.22	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,839.22		0.01
PAYDOWN	12/8/2025	12/8/2025	295,000.00	17305EGW9	CCCIT 2023-A1 A1	5.23%	12/8/2027	295,000.00		19.37
PAYDOWN	12/15/2025	12/15/2025	13,471.99	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	13,471.99		0.83
PAYDOWN	12/15/2025	12/15/2025	22,349.74	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	22,349.74		1.76
PAYDOWN	12/16/2025	12/16/2025	7,232.95	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	7,232.95		0.93
SELL	10/1/2025	10/2/2025	3,060,000.00	91282CCZ2	US TREASURY N/B	0.87%	9/30/2026	2,977,431.50		-22,670.55
SELL	10/2/2025	10/6/2025	365,000.00	91282CFU0	US TREASURY N/B	4.12%	10/31/2027	375,711.33		811.14
SELL	10/9/2025	10/10/2025	185,000.00	91282CMN8	US TREASURY N/B	4.25%	2/15/2028	188,891.98		-42.18
SELL	10/16/2025	10/20/2025	840,000.00	91282CFU0	US TREASURY N/B	4.12%	10/31/2027	866,789.27		2,831.93
SELL	10/17/2025	10/20/2025	530,000.00	91282CFU0	US TREASURY N/B	4.12%	10/31/2027	547,171.89		2,055.95
SELL	11/4/2025	11/5/2025	2,375,000.00	912828U24	US TREASURY N/B	2.00%	11/15/2026	2,357,288.34		-17,313.78

### Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
SELL	11/6/2025	11/7/2025	1,490,000.00	912828U24	US TREASURY N/B	2.00%	11/15/2026	1,479,399.44		-10,589.37
SELL	11/7/2025	11/10/2025	2,600,000.00	91282CKD2	US TREASURY N/B	4.25%	2/28/2029	2,676,821.09		3,052.10
SELL	12/3/2025	12/5/2025	2,500,000.00	912828V98	US TREASURY N/B	2.25%	2/15/2027	2,479,326.60		-21,016.62
SELL	12/3/2025	12/5/2025	2,585,000.00	912828U24	US TREASURY N/B	2.00%	11/15/2026	2,549,182.33		-15,786.10
<b>TOTALS</b>			<b>41,250,283.28</b>					<b>42,735,056.20</b>		<b>-78,565.59</b>

## Important Disclosures

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- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. **Past performance is not indicative of future returns.**
- ICE Bank of America Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

## Glossary

- **Accrued Interest:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **Agencies:** Federal agency securities and/or Government-sponsored enterprises.
- **Amortized Cost:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **Bankers' Acceptance:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **Commercial Paper:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **Contribution to Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **Effective Duration:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **Effective Yield:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **Interest Rate:** Interest per year divided by principal amount and expressed as a percentage.
- **Market Value:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- **Negotiable Certificates of Deposit:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **Par Value:** The nominal dollar face amount of a security.
- **Pass-through Security:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

## Glossary

- **Repurchase Agreements:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **Settle Date:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **Supranational:** A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- **Trade Date:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **Unsettled Trade:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. Treasury:** The department of the U.S. government that issues Treasury securities.
- **Yield:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM at Cost:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM at Market:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.

**ORIGINATING SECTION:** Administration

**CONTACT:** Osborn Solitei

**AGENDA DATE:** March 18, 2026

**SUBJECT:** FY 2025-26 Unaudited Second 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 second quarter of fiscal year 2025-26 (July 1, 2025 – December 31, 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

This report was presented to the Finance Committee on February 23, 2026. The Committee recommended the report be submitted to the next regular Board meeting.

Highlights of this report include:

- › **State Water Project Allocation** – On January 29, 2026, the Department of Water Resources announced an increase to the 2026 State Water Project allocation from 10% to 30% due to storms in mid-December.
- › **FY 2024-25 Annual Comprehensive Financial Report** — On December 18, 2025, the Board accepted the Independent Auditor's Report and Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025. The Auditor's unmodified opinion letter for the report affirmed that the basic financial statements contained therein accurately represent the financial condition of the Agency as of June 30, 2025. The Auditor also expressed an opinion that the Agency's financial statements are fairly stated and in accordance with accounting principles generally accepted in the United States.

- › **Storm Damage Repair Projects** – Delays in environmental permitting for high-priority storm damage sites, the Alamo Creek Project, and Phase 1 Group A Storm Repairs, have pushed back work to at least summer 2026. The US Army Corps of Engineers successfully completed Phase 1 repairs on four high-priority bank stabilization sites along Arroyo Mocho. Phases 2 and 3 will continue into 2026 and 2027.
- › **Certificate of Achievement for Excellence in Financial Reporting** – For the ninth year in a row, the Agency has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada for its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.
- › **Fitch Ratings Upgrade** – On September 25, 2025, Fitch Ratings 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 Ratings. The Agency is also rated ‘AAA’ by S&P Global.

**FUNDING:** N/A

**RECOMMENDED ACTION:** Information only.

**ATTACHMENT:** FY 2025-26 Unaudited Quarterly Revenue and Expenditure Report, Second Quarter



Zone 7 Water Agency  
Unaudited Quarterly Revenue and  
Expenditure Report  
FY 2025-26 | Second Quarter





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# Report Overview

The following financial report is produced on a quarterly basis and provides a summary of unaudited revenue and expenditures, fiscal year-end projections, and explanations of any major variances through the second quarter of fiscal year (FY) 2025-26 (July 1, 2025 – December 31, 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

## **ANALYSIS:**

The Agency maintains several funds; these fund balances are grouped into two categories – Unrestricted Fund Balances and Restricted Fund Balances.

**Unrestricted Fund Balance:** This describes the portion of fund balance which is not restricted in use and includes Funds 100 and 120. In general, Board policy can most affect unrestricted reserves.

**Restricted Fund Balance:** This describes 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, and includes Funds 110, 130, 200, and 210. 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 100 - Water Enterprise Operations

Primary Funding Source: Water Rates

The purpose of the Water Enterprise Operations 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 water, distribution of untreated/agricultural water, and groundwater management. Activities include water treatment, water quality analysis, water resource management, groundwater recharge and protection, maintenance, and water supply engineering.

## Comprehensive Fund Summary

### Details of Revenue and Expenses for Fund 100

Category	FY 2026 Amended	FY 2026 YTD Actuals	FY 2026 Projected Actual	Year-End Over/ (Under) Budget
<b>Beginning Fund Balance</b>	<b>\$38,704,352</b>	<b>\$38,704,352</b>	<b>\$38,704,352</b>	-
<b>Revenues</b>				
Water Sales & Service	\$71,268,000	\$37,985,372	\$72,427,000	\$1,159,000
Other Revenue	\$313,000	\$479,118	\$788,000	\$475,000
Grants	\$130,000	\$4,050	\$5,000	-\$125,000
Investment Earnings	\$454,000	\$498,410	\$1,191,000	\$737,000
<b>Total Revenues</b>	<b>\$72,165,000</b>	<b>\$38,966,949</b>	<b>\$74,411,000</b>	<b>\$2,246,000</b>
<b>Expenditures</b>				
Personnel	\$21,851,000	\$10,792,699	\$21,851,000	-
Professional Services	\$4,297,652	\$1,203,365	\$3,249,000	-\$1,048,652
County Services	\$1,936,000	\$450,934	\$1,936,000	-
Insurance Services	\$900,000	\$766,323	\$900,000	-
Legal Services	\$455,000	\$160,950	\$322,000	-\$133,000
Water	\$6,355,248	\$2,024,478	\$5,500,000	-\$855,248
Delta Conveyance Project	\$1,650,000	-	\$1,320,000	-\$330,000
Chemicals	\$4,350,000	\$1,821,837	\$4,200,000	-\$150,000
Utilities	\$3,220,000	\$2,425,303	\$3,775,000	\$555,000
Telecommunications	\$157,000	\$96,821	\$157,000	-
Maintenance Services	\$2,427,000	\$1,254,196	\$2,427,000	-
Rental Services	\$116,000	\$60,397	\$116,000	-
Office Supplies and Other Services	\$1,050,678	\$623,778	\$1,050,678	-
Organizational Memberships and Support	\$425,752	\$356,204	\$425,752	-
Training and Travel	\$190,000	\$22,133	\$60,000	-\$130,000
Water Conservation Program	\$158,000	\$13,071	\$37,000	-\$121,000
Equipment	\$31,000	\$43,001	\$43,000	\$12,000
Debt Service	\$4,976,000	\$4,975,713	\$4,976,000	-
Capital Funding	\$17,618,000	\$8,325,087	\$16,573,000	-\$1,045,000
<b>Total Expenditures</b>	<b>\$72,164,330</b>	<b>\$35,416,288</b>	<b>\$68,918,430</b>	<b>-\$3,245,900</b>
<b>Total Revenues Less Expenditures</b>	<b>\$670</b>	<b>\$3,550,661</b>	<b>\$5,492,570</b>	<b>\$5,491,900</b>
<b>Ending Fund Balance</b>	<b>\$38,705,022</b>	<b>\$42,255,013</b>	<b>\$44,196,922</b>	<b>\$5,491,900</b>

\*Beginning fund balance reflects audited actual.



## Explanation of Major Variances

### Revenue

- 1. Water Sales and Service:** Year-to-date water sales revenue reflects treated water sales of approximately 18,950 acre-feet through December 31, 2025, and the sale of 4,000 acre-feet of water to Westside Water Districts. The year-end projection reflects water sales trends. No additional water transfer sales are anticipated through June 30, 2026, as the agreement with Westside Water Districts expired on December 31, 2025.
- 2. Other Revenue:** Year-to-date revenue is primarily made up of Department of Water Resources refunds. The year-end projection is based on trends.
- 3. Grants:** The FY 2025-26 Budget includes planned receipt of Prop 1 Integrated Regional Water Management Program Round 2 grant proceeds for the water supply risk model enhancements and optimization project. The year-end projection is less than the budget due to the long reimbursement process. Approximately \$50,000 was received in fiscal year 2024-25 and the remaining reimbursement is expected in fiscal year 2026-27.
- 4. Investment Earnings:** The FY 2025-26 Budget assumes 1.5% projected interest earnings for the fiscal year. The year-end projection exceeds the budget due to the Agency's fixed investments. The revised projected interest earnings reflect 3%.

### Expenses

- 1. Personnel:** Labor costs include payroll through December 31, 2025. A 6% cost of living adjustment took effect in June 2025. As of December 31, 2025, the Agency had a 16% vacancy rate. The year-end projected labor reflects the budget.
- 2. Professional Services:** Includes professional services related to water enterprise operations. The year-end projection is less than the budget primarily due to unused contingencies (\$250K), a variety of as-needed services (~\$230K), and ongoing efforts that will continue into fiscal year 2026-27 (~\$250K).
- 3. Water production costs:** Includes Water, Chemicals, and Utilities.
  - a. Water:** The State Water Project allocation for calendar year 2025 was 50%. The current State Water Project allocation for calendar year 2026 is 30%. Year-to-date expenses primarily reflect the State Water Project conveyance costs. The year-end projection reflects the current water operations plan for a 30% allocation, which includes a small amount of planned water transfers.
  - b. Chemicals and Utilities:** Year-to-date chemical expenditures are down 77% from this time last year and utility costs are up 213% compared to this time last year, primarily due to an operational shift from surface water to groundwater production. The year-end projection reflects a more modest groundwater supply and increased surface water through the end of the fiscal year. This change is expected to slow down utility costs and increase chemical expenses.
- 4. Delta Conveyance Project:** The Agency approved funding for pre-construction for calendar years 2026 and 2027 via Resolution No. 24-28, dated October 16, 2024. No expenses were incurred in calendar year 2025. The Agency will begin to make monthly payments beginning in January 2026. The year-end projection reflects six months of Delta Conveyance Payments as stated in the 2026 Statement of Charges.
- 5. Water Conservation Program:** The Agency's water conservation program provides rebates for approved water efficiency projects. The year-end projection reflects a slow-down in rebates as interest in this program typically peaks during droughts.
- 6. Capital Funding:** The year-end projected capital funding is less than the budget as the budget assumes a 3% annual adjustment, and the actual Engineering News Record Construction Cost Index (ENRCCI) adjustment from June 2024 to June 2025 was -0.555%.



# Water Supply Conditions

**U.S. Drought Monitor  
California**

**December 30, 2025**  
(Released Wednesday, Dec. 31, 2025)  
Valid 7 a.m. EST



**Intensity:**  
None  
D0 Abnormally Dry  
D1 Moderate Drought  
D2 Severe Drought  
D3 Extreme Drought  
D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

**Author:**  
Rocky Blotta  
NCEI/NOAA

[droughtmonitor.unl.edu](https://droughtmonitor.unl.edu)

The State Water Project's final allocation for calendar year 2025 is 50% and the current State Water Project allocation for calendar year 2026 is 30% (as of January 2026). The United States Drought Monitor indicates California is currently experiencing no drought conditions. For more information, please see the Monthly Water Inventory and Water Budget Update in the monthly Board packets.

*Source: U.S. Drought Monitor*

# Water Enterprise Highlights

**Water Transfer Sale with Westside Water Districts** — The Agency, through a water transfer agreement, sold 4,000 acre feet of water to Westside Water District. This sale generated \$1.5M in revenue for the Water Enterprise Operations Fund.

**Fitch Ratings Upgrade** – On September 25, 2025, Fitch Ratings 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 Ratings. The Agency is also rated 'AAA' by S&P Global.

**FY 2024-25 Annual Comprehensive Financial Report** — On December 18, 2025, the Board accepted the Independent Auditor's Report and Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025. The Auditor's unmodified opinion letter for the report affirmed that the basic financial statements contained therein accurately represent the financial condition of the Agency as of June 30, 2025. The Auditor also expressed an opinion that the Agency's financial statements are fairly stated and in accordance with accounting principles generally accepted in the United States.

**Certificate of Achievement for Excellence in Financial Reporting** – For the ninth consecutive year, the Agency has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada for its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.



**Zone 7 Water Agency Annual Comprehensive Financial Report for the year ended June 30, 2025**

## RATING ACTION COMMENTARY

# Fitch Upgrades Zone 7 Water Agency, CA's Water Revs to 'AAA'; Outlook Stable

Thu 25 Sep, 2025 - 3:46 PM ET

**Fitch Ratings Upgrade Announcement - September 25, 2025**

# Fund 100 Reserves Breakdown

Per Initiative No. 21 of the Agency's Strategic Plan, the Agency shall maintain target levels of reserves. Fund 100 reserves are projected to be fully funded at the target level by June 30, 2026. The table below compares minimum, target, and maximum reserves to projected year-end reserves.

Fund 100 Reserves	Minimum	Target	Maximum	FY 2025-26 Projected Actual
<b>Operating Reserves<sup>1</sup></b>	\$8,867,000	\$13,301,000	\$17,734,000	\$13,301,000
<b>Emergency Reserves<sup>2</sup></b>	6,871,000	8,588,000	10,306,000	8,588,000
<b>Reserve for Economic Uncertainties<sup>3</sup></b>	3,741,000	5,611,000	7,481,000	5,611,000
<b>Water Reliability Fund<sup>4</sup></b>	-	-	-	13,007,000
<b>Subtotal</b>	<b>\$19,479,000</b>	<b>\$27,500,000</b>	<b>\$35,521,000</b>	<b>\$40,507,000</b>
<b>Pension Trust Fund<sup>5</sup></b>				2,190,000
<b>Unallocated Balance</b>				1,500,000
<b>Ending Fund Balance</b>				<b>\$44,197,000</b>
<b>Less: Estimated Budget Carryover for Ongoing Efforts</b>				241,000
<b>Net Ending Fund Balance</b>				<b>\$43,956,000</b>

Note: Values rounded to the thousands.

<sup>1</sup>The FY 2025-26 Q2 projected FYE Operating Reserve is funded at the target level of 90 days of FY 2025-26 budgeted operating expenses.

<sup>2</sup>The FY 2025-26 Q2 projected FYE Emergency Reserve is funded at the target level of 2.5% of FY 2024-25 Water Enterprise assets.

<sup>3</sup>The FY 2025-26 Q2 projected FYE Reserve for Economic Uncertainties is funded at 15% of FY 2025-26 budgeted volume-based water sales revenue.

<sup>4</sup>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.

<sup>5</sup>The FY 2025-26 Budget plans a one-time contribution of \$100K in addition to the planned annual contribution for FY 2025-26 of \$150K. The additional on-time contribution will be realized in FY 2026-27.

# Fund 120 - Water Renewal/Replacement and System-wide Improvements

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.

## Comprehensive Fund Summary

### Details of Revenue and Expenses for Fund 120

Category	FY 2026 Amended	FY 2026 YTD Actuals	FY 2026 Projected Actual	Year-End Over/(Under) Budget
<b>Beginning Fund Balance</b>	<b>\$89,592,777</b>	<b>\$89,592,777</b>	<b>\$89,592,777</b>	-
<b>Revenues</b>				
Other Revenue	\$2,000	\$2,058,903	\$2,059,000	\$2,057,000
Investment Earnings	\$812,000	\$1,437,270	\$2,744,000	\$1,932,000
Capital Funding	\$17,398,000	\$8,176,722	\$16,353,000	-\$1,045,000
<b>Total Revenues</b>	<b>\$18,212,000</b>	<b>\$11,672,895</b>	<b>\$21,156,000</b>	<b>\$2,944,000</b>
<b>Expenditures</b>				
Personnel	\$2,819,013	\$936,674	\$1,873,000	-\$946,013
Professional Services	\$29,000	\$10,923	\$29,000	-
Capital Projects	\$25,454,746	\$2,253,926	\$11,341,000	-\$14,113,746
<b>Total Expenditures</b>	<b>\$28,302,759</b>	<b>\$3,201,522</b>	<b>\$13,243,000</b>	<b>-\$15,059,759</b>
<b>Total Revenues Less Expenditures</b>	<b>-\$10,090,759</b>	<b>\$8,471,373</b>	<b>\$7,913,000</b>	<b>\$18,003,759</b>
<b>Ending Fund Balance</b>	<b>\$79,502,018</b>	<b>\$98,064,150</b>	<b>\$97,505,777</b>	<b>\$18,003,759</b>

\*Beginning fund balance reflects audited actual.

### Explanation of Variances

#### Revenue

- Other Revenue:** The year-to-date actual is made up of a \$250K cash settlement and a \$500K land credit from the City of Pleasanton as well as the \$1.3M DuPont class action settlement payment for PFAS contamination. The year-end projection reflects actuals.
- Investment Earnings:** The FY 2025-26 Budget assumes 1.5% projected interest earnings for the fiscal year. The year-end projection exceeds the budget due to the Agency's fixed investments. The revised projected interest earnings reflect 3%.
- Capital Funding:** The year-end projected actual capital funding is less than the budget as the budget assumed an annual adjustment of 3%. The ENRCCI adjustment from June 2024 to June 2025 was -0.555%.



## Expenses

1. **Personnel:** Year-to-date labor includes payroll through December 31, 2025. The year-end projection reflects trends.
2. **Capital Projects:** The budget includes approved capital projects for FY 2025-26 and ongoing capital projects for the water system. The year-end projection is less than budget due to the multi-year nature of capital projects. The following major capital projects are in process and will continue into next fiscal year:
  - a. DVWTP HVAC and Fire Alarm Control Panel
  - b. Mocho Wells PFAS Treatment Facility
  - c. PPWTP HVAC and Clearwell Improvements
  - d. Silver Oaks Pump Station Replacement
  - e. Stoneridge PFAS Treatment Facility PWRPA Improvements
  - f. Wells & MGDP Electrical Replacement/ Upgrades

# Capital Project Highlights

The Agency has a variety of water system capital improvement projects scheduled to be completed by the end of the fiscal year. A few of these projects are highlighted below:

**Del Valle Water Treatment Plant (DVWTP) Booster Pump Station Variable Frequency Drive (VFD) and Underdrain Pump Station Project** — The DVWTP Booster Pump Station VFD and Underdrain Pump Station project included the replacement of the two variable frequency drives at the booster pump station and replacement of the submersible pumps at the underdrain pump station. This work included a new ~500-foot electrical duct bank, Electrical Room 3 modifications, a new local control panel, two new pumps, and various other appurtenances. The project is anticipated to be completed in mid-March.

**Groundwater Regional Well Project** — To diversify groundwater production and develop new wells to meet future demand, Zone 7 is partnering with the City of Pleasanton to install new wells in a portion of the Bernal subbasin. To evaluate feasibility, three test wells were constructed and tested for water quality, capacity, and aquifer sustainability. Test results and subsequent groundwater modeling were used to evaluate the technical feasibility of these locations as permanent supply wells. The study concluded that it is feasible to install two municipal production wells in Hansen and Tennis parks that would produce sufficient yield to cover the City's groundwater production quota and Zone 7's additional production need.

**Computerized Maintenance Management System (CMMS)** — Zone 7 advanced the implementation of a new CMMS this quarter to modernize maintenance planning, asset management, and performance reporting. The system is expected to improve maintenance efficiency, extend asset life, reduce reactive work, and provide more accurate data to support budgeting, capital planning, and regulatory compliance.



**DVWTP Booster Pump Station VFD and Underdrain Pump Station Project - Completion March 2026**



**Groundwater Regional Well Project: Tennis & Community Park, Pleasanton**



**Computerized Maintenance Management System**

# Fund 120 Capital Projects in Process

The table below summarizes the major water renewal/replacement and system-wide improvement projects in process. For more information on capital projects, please see the Capital Projects Status Report in the November 19, 2025, Board meeting agenda packet.

Project	Total Estimated Cost	Fund 120 Share	Fund 120 Cash Financed	Fund 120 Bond Financed	Status	Estimated In-Service Date
Asset Management Program and 10-Year CIP Update	\$1.16M	\$902K	\$902K	\$-	In-process	Spring 2026
Del Valle and Patterson Pass Water Treatment Plant HVAC and Improvements	\$12.1M	\$12.1M	\$12.1M	\$-	Preliminary Design	Summer 2028
Del Valle Water Treatment Plant Booster Pump Station Variable Frequency Drive and Underdrain Pump Station Replacement	\$1.91M	1.91M	\$1.91M	\$-	Construction	Spring 2026
Del Valle Water Treatment Plant Master Plan	\$688K	\$688K	\$688K	\$-	Planning	Fall 2026
Electric Vehicle Chargers	\$651K	\$651K	\$651K	\$-	Pre-construction	Spring 2026
Joint Regional Groundwater Development Project*	\$2.7M	\$1.35M	\$1.35M	\$-	In-process	Spring 2026
Mocho PFAS Treatment Plant**	\$51.5M	\$51.5M	TBD	TBD	Planning / Design	Summer 2028
Silver Oaks Pump Station	\$20M	\$16M	\$16M	\$-	Planning	Fall 2028
Stoneridge PFAS Treatment Plant	\$16.3M	\$16.3M	\$16.3M	\$-	Functional Completion	PWRPA Power Switchover Winter 2026
Stoneridge Well Emergency Repair	\$560K	\$560K	\$560K	\$-	In-process	Spring 2026
Transmission System Plan and Hydraulic Model Update	\$931	\$698K	\$698K	\$-	In-process	Summer 2027
Wells and Mocho Groundwater Demineralization Plant Electrical Upgrades/Replacements	\$7.3M	\$7.3M	\$7.3M	\$-	In-process	February 2026
<b>Total</b>	<b>\$115.8M</b>	<b>\$110.0M</b>	<b>\$74.5M</b>	<b>\$-</b>		

\* The Joint Regional Groundwater Development Project is funded 50% by the City of Pleasanton and 50% by Zone 7.

\*\*The total project cost for the Mocho PFAS Treatment Plant is estimated to cost between \$35.3M and \$52M. The project is anticipated to be partially funded by external funding sources.

# Fund 120 Reserves Breakdown

The table below compares the FY 2025-26 Amended Budget ending reserve balances to the projected ending reserve balances.

<b>Fund 120 Reserves</b>	<b>FY 25-26 Amended Budget</b>	<b>FY 25-26 Projected Actual</b>
<b>Debt Service Rate Stabilization Reserve</b>	\$6,300,000	\$6,300,000
<b>Pension Trust</b>	64,000	57,000
<b>Designated for Capital Projects Reserve<sup>1</sup></b>	62,560,000	91,149,000
<b>Total</b>	<b>\$68,924,000</b>	<b>\$97,506,000</b>
<i>Less: Estimated Budget Carryover for Multi-Year Capital Projects</i>		10,929,000
<b>Net Fund Balance</b>	<b>\$68,924,000</b>	<b>\$86,577,000</b>

Note: Values are rounded to the thousands.

<sup>1</sup>Reserve is designated for capital projects to fund water system renewal/replacement and system-wide improvement projects.

# Fund 110 - State Water Facilities

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

The State Water Facilities Fund funds the Agency's financial obligation to the Department of Water Resources to import water to the Agency. This includes repayment of voter-approved, State-incurred, long-term debt.

## Comprehensive Fund Summary

### Details of Revenues and Expenses for Fund 110

Category	FY 2026 Amended	FY 2026 YTD Actuals	FY 2026 Projected Actual	Year-End Over/(Under) Budget
<b>Beginning Fund Balance</b>	<b>\$57,911,111</b>	<b>\$57,911,111</b>	<b>\$57,911,111</b>	-
<b>Revenues</b>				
Water Sales & Service	\$2,995,000	-	\$2,995,000	-
Property Taxes	\$22,201,000	\$10,301,091	\$22,201,000	-
Other Revenue	\$3,675,000	\$1,087,708	\$3,675,000	-
Investment Earnings	\$784,000	\$912,144	\$1,734,000	\$950,000
<b>Total Revenues</b>	<b>\$29,655,000</b>	<b>\$12,300,943</b>	<b>\$30,605,000</b>	<b>\$950,000</b>
<b>Expenditures</b>				
Professional Services	\$16,000	\$11,701	\$16,000	-
Water	\$31,236,000	\$23,249,521	\$29,079,000	-\$2,157,000
<b>Total Expenditures</b>	<b>\$31,252,000</b>	<b>\$23,261,222</b>	<b>\$29,095,000</b>	<b>-\$2,157,000</b>
<b>Total Revenues Less Expenditures</b>	<b>-\$1,597,000</b>	<b>-\$10,960,279</b>	<b>\$1,510,000</b>	<b>\$3,107,000</b>
<b>Ending Fund Balance</b>	<b>\$56,314,111</b>	<b>\$46,950,832</b>	<b>\$59,421,111</b>	<b>\$3,107,000</b>

\*Beginning fund balance reflects audited actual.

### Explanation of Major Variances

#### Revenue

- Water Sales & Service:** FY 2025-26 budgeted revenue is revenue planned to be received from the Dougherty Valley surcharge. The revenue is typically received in the third quarter of the fiscal year. The year-end projection reflects the budget.
- Property Taxes:** FY 2025-26 budgeted revenue is made up of planned property tax collections from the property tax override. The year-to-date actual revenue reflects the first installment of property tax. The year-end projection reflects the budget.
- Other Revenue:** FY 2025-26 budgeted other revenue is projected refunds from the Department of Water Resources. The year-end projection reflects the budget.
- Investment Earnings:** The FY 2025-26 Budget assumes 1.5% projected interest earnings for the fiscal year. The year-end projection exceeds the budget due to the Agency's fixed investments. The revised projected interest earnings reflect 3%.



**Expenses**

1. **Water:** The FY 2025-26 budgeted expenses include the Department of Water Resources fixed charges. Transportation capital charges and the improvement portion of the South Bay Aqueduct Improvement and Enlargement Project debt service payments are paid in January /July and March/September, respectively. The year-end projection is less than the budget as it reflects the anticipated payments through June 2026 based on the 2026 Statement of Charges.

## State Water Project Highlights

**State Water Project Allocation** – On January 29, 2026, the Department of Water Resources announced an increase to the calendar year 2026 State Water Project allocation from 10% to 30% due to storms in mid-December 2025.



**Oroville Dam at Lake Oroville in Butte County, California - January 2026.**

Source: California Department of Water Resources

## Fund 110 Reserves Breakdown

The following table compares the FY 2025-26 Amended Budget ending reserve balance to the projected ending reserve balance at June 30, 2026. 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 25-26 Amended Budget	FY 25-26 Projected Actual
<b>Operating Reserve</b>	\$56,314,111	\$59,421,111
<b>Total Reserve</b>	\$56,314,111	\$59,421,111

# 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.

## Comprehensive Fund Summary

### Details of Revenue and Expenses for Fund 130

Category	FY 2026 Amended	FY 2026 YTD Actuals	FY 2026 Projected Actual	Year-End Over/(Under) Budget
<b>Beginning Fund Balance</b>	<b>\$78,681,415</b>	<b>\$78,681,415</b>	<b>\$78,681,415</b>	-
<b>Revenues</b>				
Connection/Development Fees	\$10,000,000	\$6,790,273	\$20,326,000	\$10,326,000
Other Revenue	\$3,000,000	\$1,673,977	\$3,000,000	-
Investment Earnings	\$835,000	\$1,267,979	\$2,256,000	\$1,421,000
<b>Total Revenues</b>	<b>\$13,835,000</b>	<b>\$9,732,230</b>	<b>\$25,582,000</b>	<b>\$11,747,000</b>
<b>Expenditures</b>				
Personnel	\$255,166	\$152,268	\$255,166	-
Professional Services	\$50,000	\$41,315	\$50,000	-
Legal Services	\$92,000	\$8,599	\$25,000	-\$67,000
Water	\$17,400,000	\$12,473,041	\$16,425,000	-\$975,000
Capital Projects	\$2,737,502	\$113,060	\$1,030,000	-\$1,707,502
Debt Service	\$1,100,000	\$821,469	\$1,100,000	-
<b>Total Expenditures</b>	<b>\$21,634,668</b>	<b>\$13,609,752</b>	<b>\$18,885,166</b>	<b>-\$2,749,502</b>
<b>Total Revenues Less Expenditures</b>	<b>-\$7,799,668</b>	<b>-\$3,877,522</b>	<b>\$6,696,834</b>	<b>\$14,496,502</b>
<b>Ending Fund Balance</b>	<b>\$70,881,747</b>	<b>\$74,803,893</b>	<b>\$85,378,249</b>	<b>\$14,496,502</b>

\*Beginning fund balance reflects audited actual.

### Explanation of Major Variances

#### Revenue

- 1. Connection/Development Fees:** Year-to-date revenue is made up of water connection fees from approximately 197 connections through November 2025. Revenue for the month of December has not yet been reported and will be reflected in the third quarter report. The connection fee revenue received to-date is primarily from the Dublin San Ramon Services District service area. The year-end projection exceeds budget and plans for an



additional 383 water connections, the majority projected to come from the City of Livermore and the Dublin San Ramon Services District.

2. **Other Revenue:** FY 2025-26 budgeted other revenue is projected refunds from the Department of Water Resources. The year-end projection reflects the budget.
3. **Investment Earnings:** The FY 2025-26 Budget assumes 1.5% projected interest earnings for the fiscal year. The year-end projection exceeds the budget due to the Agency's fixed investments. The revised projected interest earnings reflect 3%.

## Expenses

1. **Personnel:** Includes this fund's share of payroll through December 31, 2025, for capital expansion projects. The year-end projection reflects the budget.
2. **Water:** Year-to-date expenses are made up of the first installment of the South Bay Aqueduct Enlargement debt service payments (paid in September). The year-end projection reflects the first and second installment payments per the 2026 Statement of Charges.
3. **Capital Projects:** Includes approved capital expansion projects for FY 2025-26. The year-end projection is less than budget due to the multi-year nature of projects. The Silver Oaks Pump Station Replacement project and the transmission system planning update are expected to continue into next fiscal year.
4. **Debt Service:** Reflects the Fund 130 portion of the Water Revenue Bonds, 2018 Series A debt service. The bonds refunded the Agency's obligations in connection with the Cawelo Water District Certificates of Participation, Series 2006.

## Ongoing Development Highlights

The primary revenue source for Fund 130 is water connection fees from new development within the service area. While the connection fee revenue received through the second quarter of FY 2025-26 primarily came from new connections in the Dublin San Ramon Services District, the City of Livermore is currently underway with numerous developments around the Agency's headquarters. Below are a couple of images of ongoing development within the City of Livermore, specifically development as part of the Isabel Neighborhood Plan. The City of Livermore is also developing at Arroyo Crossing on Las Positas Road.



Triad Place, City of Livermore



Serenity, City of Livermore

## Historical Water Connection Fee Collections

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26 Projected Actual
<b>Connection Fee Revenue</b>	\$22,461,926	\$13,609,527	\$19,669,510	\$17,023,624	\$11,860,411	\$22,940,368	\$20,326,000
<b>Number of New Connections</b>	796	470	643	535	340	672	580

## Expansion Capital Project Highlights

**South Bay Aqueduct** — The largest expense in Fund 130 is the Agency's annual debt obligations for the South Bay Aqueduct improvements and enlargement by the California Department of Water Resources. The project involved expansion of the South Bay Aqueduct to convey 130 cubic feet per second of water through Reach 1 and 80 cubic feet per second through Reaches 2 through 4. The project also included the newly constructed Dyer Reservoir, a 425-acre-foot raw water reservoir located near Dyer Road.

**Sites Reservoir Project** — Sites Reservoir is a proposed 1.5 million acre foot offstream reservoir designed to adapt to changing climate conditions, providing a more flexible water supply for California. As a rain-fed storage solution, Sites Reservoir will be able to capture water from extreme storm events, which can be used by communities, farms, and the environment when water is more scarce. The Agency has been participating in the planning phase of the project since 2017. However, there is no funding requirement for FY 2025-26. The budget reflects planned staff time for Phase 2.



**South Bay Aqueduct**



**Sites Reservoir Project Map**

# Fund 130 Reserves Breakdown

The table below compares the FY 2025-26 Amended Budget ending reserve balances to the projected ending reserve balances.

<b>Fund 130 Reserves</b>	<b>FY 25-26 Amended Budget</b>	<b>FY 25-26 Projected Actual</b>
<b>Sinking Funds<sup>1</sup></b>	\$31,540,000	\$31,540,000
<b>Debt Service Rate Stabilization Reserve</b>	2,300,000	2,300,000
<b>Designated for Capital Projects Reserve<sup>2</sup></b>	25,756,000	51,521,000
<b>Pension Trust Fund</b>	17,000	17,000
<b>Total Reserves</b>	<b>\$59,613,000</b>	<b>\$85,378,000</b>
<b><i>Less: Estimated Budget Carryover for Multi-Year Expansion Projects</i></b>		776,000
<b>Net Fund Balance</b>		<b>\$84,602,000</b>

Note: Values are rounded to the thousand.

<sup>1</sup>Reserve established by the Board to fund SBA debt service payments that continue after service is built-out.

<sup>2</sup>Reserve designated for capital projects to fund expansion CIP projects the Agency has committed to over the next ten years.

# 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 receives 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.

## Comprehensive Fund Summary

### Details of Revenues and Expenses for Fund 200

Category	FY 2026 Amended	FY 2026 YTD Actuals	FY 2026 Projected Actual	Year-End Over/(Under) Budget
<b>Beginning Fund Balance</b>	<b>\$33,637,946</b>	<b>\$33,637,946</b>	<b>\$33,637,946</b>	-
<b>Revenues</b>				
Property Taxes	\$13,077,000	\$6,727,546	\$13,077,000	-
Other Revenue	\$236,000	\$26,025	\$236,000	-
Investment Earnings	\$180,000	\$448,490	\$1,037,000	\$857,000
<b>Total Revenues</b>	<b>\$13,493,000</b>	<b>\$7,202,061</b>	<b>\$14,350,000</b>	<b>\$857,000</b>
<b>Expenditures</b>				
Personnel	\$3,208,000	\$1,542,253	\$3,208,000	-
Professional Services	\$4,140,162	\$764,852	\$2,506,000	-\$1,634,162
County Services	\$110,500	\$65,468	\$110,500	-
Legal Services	-	\$9,642	\$10,000	\$10,000
Telecommunications	\$6,000	\$2,406	\$6,000	-
Maintenance Services	\$20,812,141	\$1,393,291	\$4,440,000	-\$16,372,141
Rental Services	-	\$7,168	\$10,000	\$10,000
Office Supplies and Other Services	\$840,322	\$319,500	\$639,000	-\$201,322
Organizational Memberships and Support	\$91,300	\$56,138	\$91,300	-
Training and Travel	\$27,000	\$2,332	\$12,000	-\$15,000
Equipment	\$35,000	-	\$35,000	-
Capital Funding	\$16,000	\$9,135	\$16,000	-
<b>Total Expenditures</b>	<b>\$29,286,425</b>	<b>\$4,172,185</b>	<b>\$11,083,800</b>	<b>-\$18,202,625</b>
<b>Total Revenues Less Expenditures</b>	<b>-\$15,793,425</b>	<b>\$3,029,876</b>	<b>\$3,266,200</b>	<b>\$19,059,625</b>
<b>Ending Fund Balance</b>	<b>\$17,844,521</b>	<b>\$36,667,822</b>	<b>\$36,904,146</b>	<b>\$19,059,625</b>

\*Beginning fund balance reflects audited actual.



## Explanation of Major Variances

### Revenue

1. **Property Tax:** FY 2025-26 budgeted revenue is made up of planned property tax collections. The year-to-date actual reflects the first installment of property tax received in December 2025. The year-end projection reflects the budget and is also reflective of the property tax estimate for FY 2025-26 provided by the County and projected prior year property tax collections.
2. **Investment Earnings:** The FY 2025-26 Budget assumes 1.5% projected interest earnings for the fiscal year. The year-end projection exceeds the budget due to the Agency's fixed investments. The revised projected interest earnings reflect 3%.

### Expenses

1. **Personnel:** Labor costs include this fund's share of payroll through December 31, 2025. The year-end projection reflects the budget.
2. **Professional Services:** The FY 2025-26 Budget includes ongoing project costs for the Flood Management Plan Phase 2A as well as a variety of on-call services for flood-related engineering, permitting, and planning services. The year-end projection is less than the budget primarily due to the multi-year nature of the Flood Management Plan (\$610K), unspent as-needed services (\$300K), as well as unspent contingency (\$500K).
3. **Maintenance Services:** The FY 2025-26 Budget includes routine flood engineering repair services and approximately \$10.7M for planned flood emergency projects. The year-end projection is less than budget due to delayed storm repair projects from environmental permitting delays. Storm repairs planned for summer 2025 have been shifted to summer of 2026.

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. Per Resolution No. 22-73, dated August 17, 2022, the Board adopted the Flood Management Plan Phase 1. Flood Management Plan Phase 2A professional and project management services were approved at the February 15, 2023, Board meeting.

The following table lists major projects that are in-process.

Project	Total Cost	Fund 200 Share	Status	In-service
Alamo Creek Bank Stabilization Pilot Project <sup>1</sup>	\$6.1M	\$1.5M	Permitting	Winter 2026
2022-23 Storm Damage High Priority Repairs	\$2.4M	\$2.4M	Permitting	Fall 2026
2023 Storm Damage Repairs – Phase 1	\$24.9M	\$24.9M	Permitting	Winter 2027

<sup>1</sup>DWR has awarded up to \$4.6M in grants through the Floodplain Management, Protection, and Risk Awareness (FMPRA) Grant program.

# Flood Operations and Maintenance Highlights

**Flood Maintenance** — Each summer the Agency uses goat grazing services at its flood protection facilities for vegetation maintenance to abate fire fuels and maintain channel capacity. This summer, 176 acres of flood control facilities were grazed by goats.

**Rehabilitation Project** — In November 2025, the U.S. Army Corps of Engineers completed Phase 1 of Rehabilitation Project, successfully repairing four high-priority bank stabilization sites along Arroyo Mocho near West Las Positas Boulevard in Pleasanton. Phases 2 and 3 will address a total of 41 additional bank repair sites, 21 sites in Pleasanton planned for construction in 2026, followed by 20 sites in Dublin anticipated in 2027. Design for Phases 2 and 3 is currently at 60 percent completion. Environmental permit applications have been submitted to the appropriate regulatory agencies and are currently under review.

**Storm Damage Repair Project Delays** — Due to 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, work has been pushed to at least summer 2026.



**Flood Maintenance Goat Grazing - Summer 2025**



**US Army Corps of Engineers Rehabilitation Project**



**Future Storm Damage Repairs - Line H-N at Vasco**

# Fund 200 Reserves Breakdown

The table below compares the FY 2025-26 Amended Budget ending reserve balance to the projected ending reserve balance.

<b>Fund 200 Reserves</b>	<b>FY 25-26 Amended Budget</b>	<b>FY 25-26 Projected Actual</b>
<b>Operating Reserves<sup>1</sup></b>	\$9,548,000	\$9,548,000
<b>Designated for Capital Projects Reserve<sup>2</sup></b>	-	\$27,118,000
<b>Section 115 Pension Trust</b>	228,000	238,000
<b>Total Reserves</b>	<b>\$9,776,000</b>	<b>\$36,904,000</b>
<b><i>Less: Estimated Budget Carryovers for Multi-Year Projects</i></b>		<i>5,843,000</i>
<b>Net Fund Balance</b>		<b>\$31,061,000</b>

Note: Values are rounded to the thousand.

<sup>1</sup> 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.

<sup>2</sup> Per the Agency's Reserve Policy, there is no minimum or maximum level required for the Flood capital projects reserve.

# Fund 210 - Flood Protection Development Impact Fee

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, land and right of way acquisition, environmental review, permitting, and construction for drainage projects.

## Comprehensive Fund Summary

### Details of Revenues and Expenses for Fund 210

Category	FY 2026 Amended	FY 2026 YTD Actuals	FY 2026 Projected Actual	Year-End Over/(Under) Budget
<b>Beginning Fund Balance</b>	<b>\$85,092,017</b>	<b>\$85,092,017</b>	<b>\$85,092,017</b>	<b>-</b>
<b>Revenues</b>				
Connection/Development Fees	\$1,500,000	\$581,162	\$2,000,000	\$500,000
Other Revenue	\$25,000	-	\$25,000	-
Investment Earnings	\$1,187,000	\$1,137,725	\$2,559,000	\$1,372,000
<b>Total Revenues</b>	<b>\$2,712,000</b>	<b>\$1,718,888</b>	<b>\$4,584,000</b>	<b>\$1,872,000</b>
<b>Expenditures</b>				
Personnel	\$160,641	\$30,832	\$62,000	-\$98,641
Professional Services	\$1,636,304	\$279,514	\$965,000	-\$671,304
Capital Projects	\$500,000	-	-	-\$500,000
<b>Total Expenditures</b>	<b>\$2,296,945</b>	<b>\$310,347</b>	<b>\$1,027,000</b>	<b>-\$1,269,945</b>
<b>Total Revenues Less Expenditures</b>	<b>\$415,055</b>	<b>\$1,408,541</b>	<b>\$3,557,000</b>	<b>\$3,141,945</b>
<b>Ending Fund Balance</b>	<b>\$85,507,072</b>	<b>\$86,500,558</b>	<b>\$88,649,017</b>	<b>\$3,141,945</b>

\*Beginning fund balance reflects audited actual.

### Explanation of Major Variances

#### Revenue

- Connection/Development 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-to-date actual reflects revenue received from the City of Livermore. The year-end projection is greater than the budget as it reflects the increased development primarily within the City of Livermore.
- Investment Earnings:** The FY 2025-26 Budget assumes 1.5% projected interest earnings for the fiscal year. The year-end projection exceeds the budget due to the Agency's fixed investments. The revised projected interest earnings reflect 3%.



## Expenses

1. **Personnel:** Includes flood staff labor for flood expansion projects through December 31, 2025. The year-end projection reflects the budget.
2. **Professional Services:** Primarily includes professional service expenses for the Flood Management Plan Phase 2A. The year-end projection is less than the budget as the Flood Management Plan will continue through next fiscal year.
3. **Capital Projects:** The budget consists of contingency funds for unforeseen projects or emergencies. No major capital projects are budgeted this year.

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. Per Resolution No. 22-73, dated August 17, 2022, the Board adopted the Flood Management Plan Phase 1. Flood Management Plan Phase 2A professional and project management services were approved at the Board meeting on February 15, 2023.

## Fund 210 Reserves Breakdown

The following table and chart compare the FY 2025-26 Amended Budget ending reserve balance to the projected ending reserve balance.

Fund 210 Reserves	FY 25-26 Amended Budget	FY 25-26 Projected Actual
Capital Projects Reserve	\$83,715,000	\$88,649,000
<b>Total Reserves</b>	<b>\$83,715,000</b>	<b>\$88,649,000</b>
<i>Less: Estimated Budget Carryovers for Multi-Year Projects</i>		427,000
<b>Net Fund Balance</b>		<b>\$88,222,000</b>

Note: Values are rounded to the thousand.